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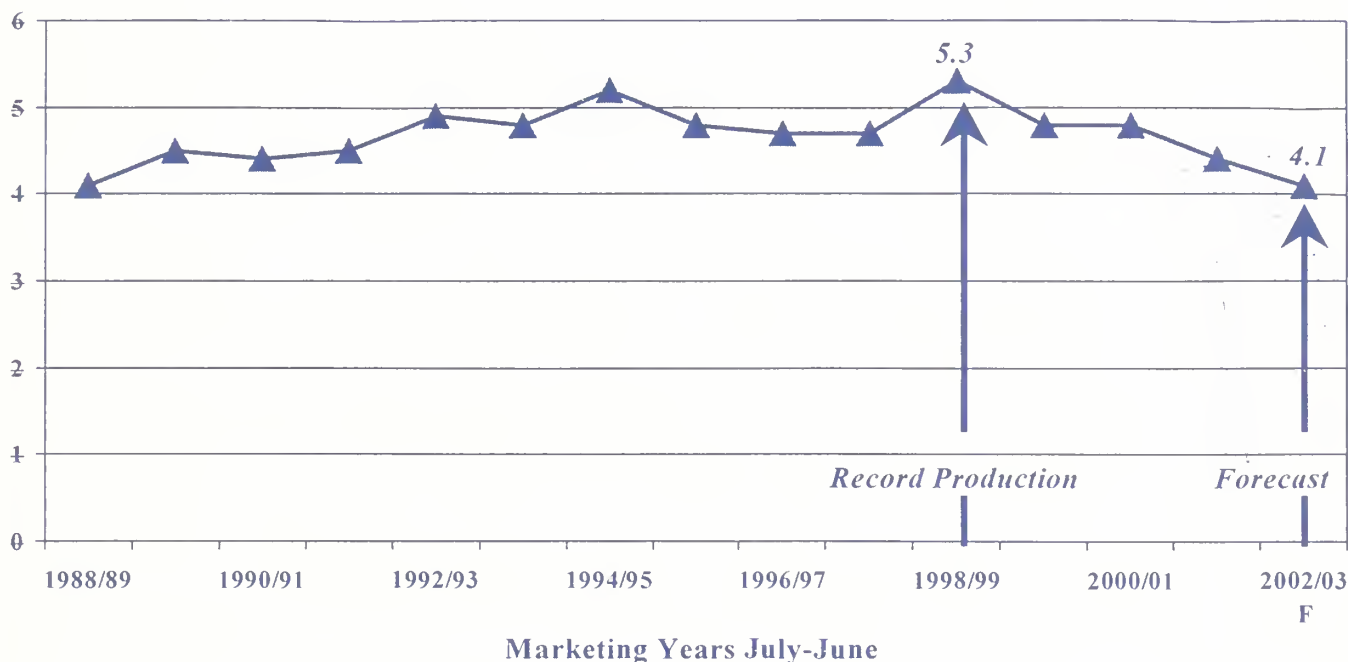
Foreign
 Agricultural
 Service

Circular Series
 FHORT 11-02
 November 2002

World Horticultural Trade and U.S. Export Opportunities

U.S. Apple Production Expected to Decline for the Third Consecutive Season

Million Metric Tons



Source: U.S. Bureau of the Census

U.S. apple production in 2002/03 is forecast to decrease for the third consecutive season to 4.1 million tons, the smallest volume since 1988/89. Smaller apple crops are anticipated in most major U.S. producing states, including New York (down 35 percent), Michigan (down more than 40 percent), and California (down 15 percent), due to unfavorable weather during the spring and to a reduction in bearing acreage. Apple production in Washington, on the other hand, is forecast at 2.4 million tons, up 6 percent from last season. Although apple-bearing acreage in Washington has been reduced as well, favorable weather during the spring is expected to boost the volume of its apple crop in 2002/03. The 2002/03 U.S. apple production forecast reflects in part the difficult economic challenges facing the domestic apple industry. Overproduction, stagnant domestic demand, and increased imports of lower-priced apple juice from China have put downward pressure on U.S. apple prices and, as such, have contributed to the reduction in apple acreage. This trend is expected to continue.

[Check Out the New U.S. Trade Internet System Website. Go to
<http://www.fas.usda.gov/ustrade>]

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Export Summary

August

U.S. exports of horticultural products to all countries in August totaled \$896 million, roughly the same as August 2001. The categories with significant increases in August were essential oils (up 40 percent to \$76 million), processed fruit (up almost 6 percent to \$57 million), and fresh fruit, (up 2 percent to \$194 million). The categories with the most significant decreases were fruit and vegetable juices (down 12 percent to \$59 million), wine and beer (down 6 percent to \$64 million) and processed vegetables (down 4 percent to \$129 million).

August 2002 exports to Canada, the top market, were up 11 percent from August 2001 to \$301 million. Exports to China climbed 29 percent to \$16 million, while sales to Australia rose 46 percent to \$11 million, sales to Singapore rose 25 percent to 11 million, and sales to Hong Kong rose 24 percent to \$45 million. August exports to the European Union (EU) dropped 9 percent to \$131 million, while sales to Japan fell almost 3 percent to \$109 million.

Exports for the fiscal year (FY) 2002 period were about level with the same period in FY 2001 at \$10.2 billion. Tree nut exports were up about 6 percent to \$1.1 billion for the October-August 2001/02 period, while essential oils exports were up 12 percent to \$703 million, and fruit and vegetable juices rose about 1 percent to \$673 million and fresh vegetables rose about 1 percent to \$1.2 billion. All of the other major categories declined.

Exports to Canada rose 7 percent to \$3.3 billion for the October-August period, while exports to the EU fell about 2 percent to \$1.8 billion and exports to Japan fell 6 percent to \$1.4 billion. Exports to Mexico rose 3 percent to \$900 million. Exports to Korea rose 21 percent to \$325 million, while exports to Hong Kong and Taiwan dropped 10 percent and 20 percent, respectively, compared with the same period in FY 2001. In addition to Korea, the fastest growing markets for FY 2002 to date include: Russia, up 63 percent, India, up 30 percent, Kuwait, up 22 percent, the Dominican Republic, up 15 percent, Colombia, up 11 percent, the United Arab Emirates, up 7 percent, and Indonesia, up 6 percent.

To access FAS Attaché Reports online, please reference the following Internet address:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Search through the country and market reports prepared by FAS attaches covering over 20 horticultural and tropical product commodities and nearly 130 countries. Search by keyword, including country and commodity.

Visit the HTP Homepage!

The Horticultural & Tropical Products (HTP) Division Homepage is updated weekly to bring the latest information to the public as efficiently as possible. The site contains information on policy and technical developments affecting trade in horticultural commodities, as well as selected reports submitted by FAS overseas offices and special reports prepared by the division. The information typically remains on the site for approximately one week, before being archived. For further information on this site, please contact Nancy Hirschhorn (202) 720-2974. Go to <http://www.fas.usda.gov/htp>.

SPECIAL ANNOUNCEMENTS!!!

USDA Launches Production, Supply, and Demand Database Site

WASHINGTON, Aug. 26, 2002 – The Foreign Agricultural Service (FAS) announced a new on-line database web site that provides current and historical USDA data on production, supply and distribution of agricultural commodities for the United States and key producing and consuming countries.

The data, which goes back as far as 1960, provides users with a complete global picture--all commodity-specific attributes, countries and years are available. Users can view all facets of the database onscreen or download to a spreadsheet file. Pre-defined tables categorized by commodity groups are readily available, or the user can create custom queries for specific commodities. *Example: Barley*

<i>Argentina</i>	<i>2001</i>	<i>2002</i>
<i>Area harvested</i>	<i>240</i>	<i>250</i>
<i>Production</i>	<i>510</i>	<i>600</i>
<i>Yield</i>	<i>2.13</i>	<i>2.4</i>

The site includes 108 commodity groups and over 190 countries. The information will be particularly useful for commodity traders, agriculture importers, exporters, economists, producers, and researchers who can use the information to determine future prices, production levels, and demand for agricultural products.

The production, supply, and demand database site can be found at Internet address: <http://www.fas.usda.gov/psd>

For further information, please E-mail: PSDOnline@fas.usda.gov

Foodapest (Budapest, Hungary – November 26-29, 2002).

The U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS) is organizing a U.S. Pavilion at the Foodapest trade show in Budapest, Hungary. Products identified as having excellent market potential in Central Europe include nuts (almonds, peanuts, pecans), raisins and dried fruits (cranberries, prunes), seafood, distilled liquors, snack foods, prepared sauces and condiments, and miscellaneous grocery items. There are a variety of ways you can participate: purchase booth space in the U.S. Pavilion; order a customized package of meetings with potential business partners under our Dialogue Concept; or participate in the American Café. What is an American Café? For a small fee of \$350, your sample products can be prepared and distributed at the show to potential customers by USDA/FAS staff. Immediately after the show USDA/FAS sends feedback and leads, providing you with the opportunity to follow up with potential buyers. For more information on any of these options, contact Sharon Cook/FAS Trade Show Office at 202-720-3425 or Sharon.Cook@usda.gov

International Food and Drink Exhibition (London, United Kingdom – March 23-26, 2003).

The International Food and Drink Exhibition (IFE) is the United Kingdom's (U.K.) leading food and drink trade exhibition. A biennial event, IFE attracts approximately 38,000 visitors. IFE has a reputation for attracting U.K. buyers from key sectors of interest to U.S. companies – importers, retailers, and foodservice buyers. It is particularly useful for new-to-market companies with shelf-stable or frozen grocery products. Best product prospects include: wine, beer, tree nuts, processed fruits and vegetables, fresh fruit, sauces and marinades, confectionery, snack foods, egg products, non-soy vegetable oil, organic products, soft drinks, bakery ingredients, seafood and frozen foods. For more information on this USDA-endorsed show, please call Sharon Cook/FAS Trade Show Office at 202-720-3425 or Sharon.Cook@fas.usda.gov

Almond Situation and Outlook in Selected Countries

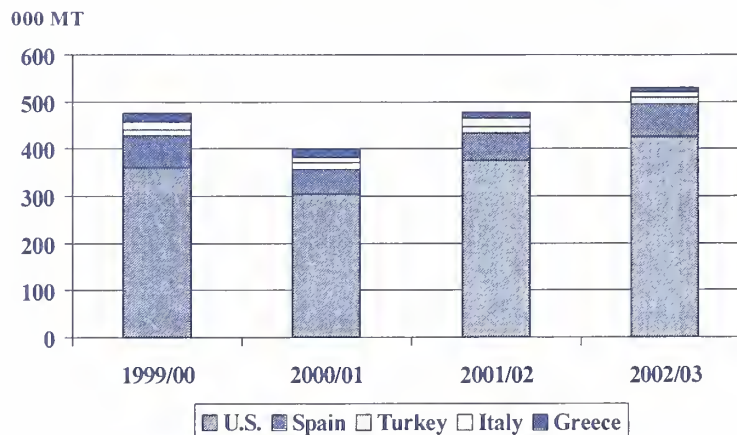
Production of almonds in 5 major producing countries in 2002/03 is forecast at 530,884 metric tons (tons), up 11 percent from 2001/02. The increase was attributed mainly to a 13-percent increase in U.S. output as well as increases in Spain (up 21 percent) and Turkey (up 7 percent). As a result of the higher almond supplies, U.S. almond grower prices are expected to decline. However, low almond prices encourage consumption and have previously boosted U.S. exports to record levels. Exports of almonds from selected countries are forecast at 346,632 tons, up 3 percent from 2001/02, while domestic consumption is expected to reach 226,532 tons, up 5 percent from the previous year.

GLOBAL PRODUCTION & TRADE

World production of almonds is expected to reach almost 531,000 tons in 2002/03, up 11 percent from the previous year. The United States produces approximately 75 percent of all commercial almonds worldwide.

The top four producers in 2002/03 are the United States (530,884 tons), Spain (69,000 tons), Turkey (15,000 tons), and Greece (11,500 tons). Other key producers include Italy, Australia and Morocco.

World Almond Production



Source: USDA Attaché Reports

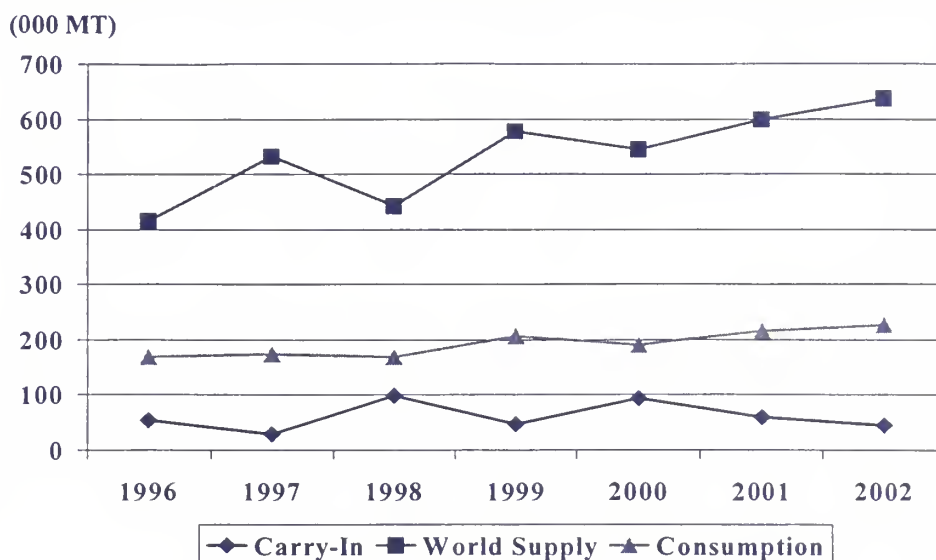
GLOBAL POLICY

Europe

The European Union (EU) has a fruit and vegetable (F&V) regime in place that is based on producer organizations (POs) that are voluntarily formed by groups of growers and cooperatives. However, less than half of all Spanish fruit and vegetable production is under POs. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The EU supports the operational funds, which are set voluntarily by the POs each year and may be up to 4.1 percent of the

PO's annual sales. These funds are generally used for the financing of fruit and vegetable withdrawal operations (not nuts), and may be used for investments in operational programs such as improvement of irrigation systems, upgrading technical systems and environmental protection measures. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts that nut growers have been long seeking to replace the temporary tree nut improvement 10 year-program, which ended in June 2002. However, they claim that the subsidy rate of 100 euros/hectare (ha) is clearly insufficient given current increased production costs and depressed market prices. Member countries would have the option of supplementing this payment with up to an additional 109 euros/ha, but even the maximum payment (209 euros/ha) is lower than payments from the tree nut improvement program (a minimum of 242.6 euros/ha).

World Almond Supply & Consumption



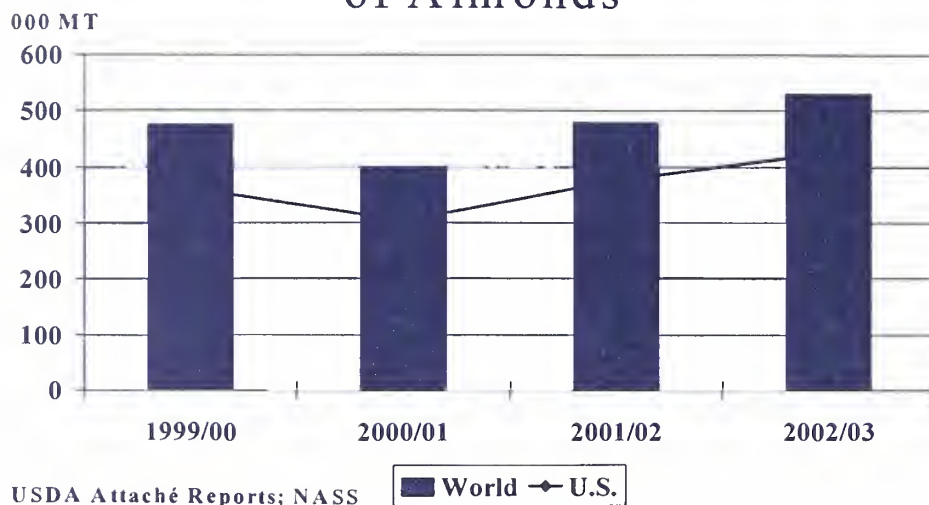
Source: USDA, Attaché Reports

UNITED STATES

Production

California's 2002/03 almond production is forecast at a record 530,884 tons, up 4 percent from the May forecast and up 18 percent from last year's crop. The forecast is based on 530,000 bearing acres. Production for the Nonpareil variety is forecast at 370 million meat pounds, up 18 percent from last season. The Nonpareil variety represents 38 percent of California's total almond production. The weather during the critical bloom and pollination period was nearly ideal this year. However, a freeze in the Sacramento Valley in early March caused major damage to the crop in Colusa, Glenn, and Yolo counties. The warm temperatures in May and June helped the crop develop near or slightly behind normal progress. The average nut set per tree is 8,100, up 21 percent from 2001. The Nonpareil average nut set of 8,043 represents a 25-percent increase from last year's set. The average kernel weight for all varieties sampled was 1.41 grams, down 12 percent from last year. A total 98.9 percent of all nuts sized were sound.

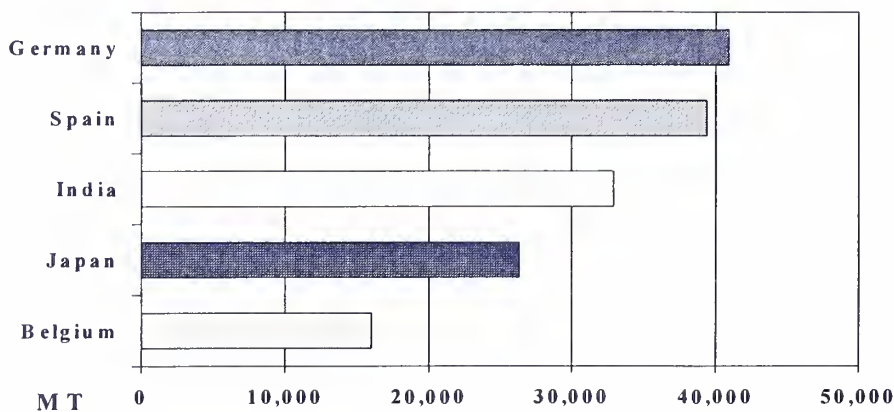
U.S. Contribution to World Production of Almonds



Exports

In 2002/03, U.S. almond exports are forecast at 287,000 tons, up 3 percent from the previous year. Low almond prices are expected to spur exports. In 2001/02, shelled almonds, including prepared and preserved, accounted for approximately 83 percent of total U.S. almond exports. Major buyers of U.S. shelled almonds were the EU (primarily Germany, Spain, and the Netherlands) accounting for 62 percent and Asia (primarily Japan, China, and Korea) purchasing 18 percent. Asia is the most significant importer of in-shell almonds, purchasing 80 percent of U.S. in-shell exports in 2001/02.

Top 5 Markets for U.S. Almonds



Marketing Year 2001/02

Source: U.S. Department of Commerce, Census Bureau

SPAIN

Production

Spain's 2002/03 almond production is forecast at 69,000 tons, up 21 percent from the previous season, due to the absence of frost coupled with rainy weather in most growing areas. Almond production takes place mainly in regions bordering the Mediterranean, primarily in Andalusia and Valencia. The regions of Murcia, Catalonia, Aragon, Balearic Islands and Castilla-La Mancha are also significant almond production areas. According to a recent survey, there were 792,000 bearing hectares, of which less than 6 percent were irrigated. Consequently, rainfall during the fall is crucial to almond productivity. Producer prices in 2001 for in-shell almonds averaged \$.64 per kilo, a 3-percent decline from 2000.

Consumption

Domestic almond consumption is projected to increase in 2002/03 due to a general upward tendency in nut consumption and the larger sizes of the last two domestic harvests. Tree nuts are a traditional component of the Mediterranean diet, which is being heavily promoted as a healthy diet. Due to increased health awareness, tree nut consumption has grown in Spain over the past several years with almonds leading the way. The confectionary industry accounts for about 75 percent of Spanish consumption of almonds, and most of the balance is consumed as snacks. The nougat industry is a major consumer of almonds as well. Nearly all of the industry's consumption occurs in the months before Christmas, with nougat being a traditional holiday treat.

Exports

Exports in 2002/03 are forecast at 56,500 tons, a 5-percent increase from the previous year, due to the larger crop. Other EU countries (Germany, France, and Italy) are the major destinations, representing approximately 93 percent of Spain's export markets. Almond imports in 2002/03 are forecast to decrease slightly. The United States continues to be the dominant foreign supplier of almonds to Spain, increasing its market share to around 97 percent of total imports in 2001/02. Due to the uniformity and low breakage of U.S. almonds, processors generally prefer them for food ingredients, including almond flour, dices and fillets. More than half of all U.S. almonds imported into Spain are subsequently re-exported in some form to other EU countries. Two tariff categories for non-bitter almonds are listed in the Integrated Tariff of the European Union (TARIC). The current import duty rates are as follows:

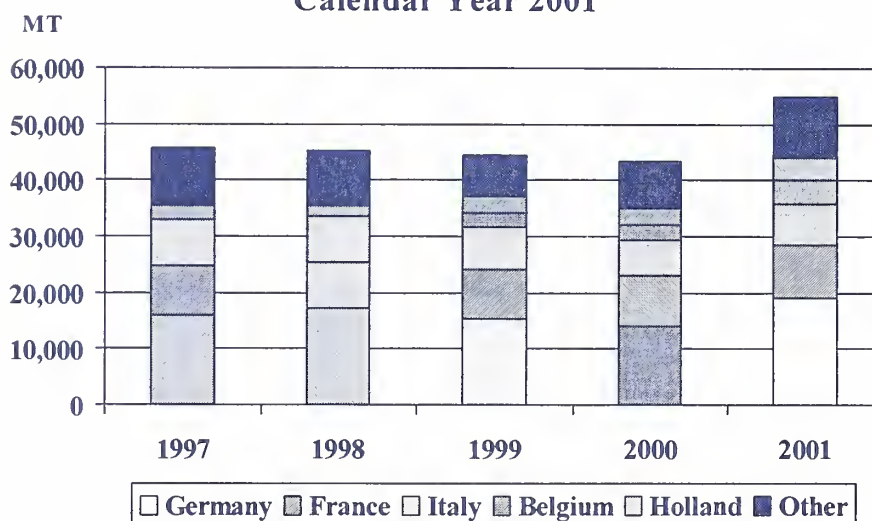
0802.11.90 In-shell almonds: 5.6 percent

0802.12.90 Shelled almonds: 3.5 percent

However, a WTO global EU annual tariff quota of 90,000 tons at a reduced import duty rate of 2 percent is applicable, and Spanish almond importers may benefit from this tariff quota for imports from outside the EU. As is the case with locally produced food products, a 7-percent Value Added Tax (VAT) is imposed on almond imports.

Spanish Almond Exports to the World

Calendar Year 2001



Source: Spain: Official Government Figures

TURKEY

Production

In 2002/03, almond production in Turkey is forecast at 15,000 tons, unchanged from the previous year. Almonds are a minor nut crop in Turkey. They are grown throughout the country with production concentrated in the Aegean, Marmara and Mediterranean regions. Most production is grown in orchards for commercial use. Almonds grow naturally in Turkey, but were not cultivated as a commercial crop until recently. Varietal selection during the past 25 years has resulted in improvement of local varieties that are now grafted to both improve quality and yield as well as to delay blooming, since early frosts are a major problem in Turkey. Other than variations due to weather conditions, almond production in Turkey is relatively stable.

Consumption

In the past, almond consumption grew slowly in Turkey despite the availability of hazelnuts. Due to the recent economic crisis in Turkey, almond consumption has declined slightly. Almonds are generally consumed whole as a snack food and only limited amounts are used in confectionary products. The retail price for one kilogram of shelled sweet roasted almonds in Ankara is around Turkish Lira (TL) 18,000,000 for local and good quality imported almonds (such as U.S. almonds), compared to TL 12,000,000 a year ago.

GREECE

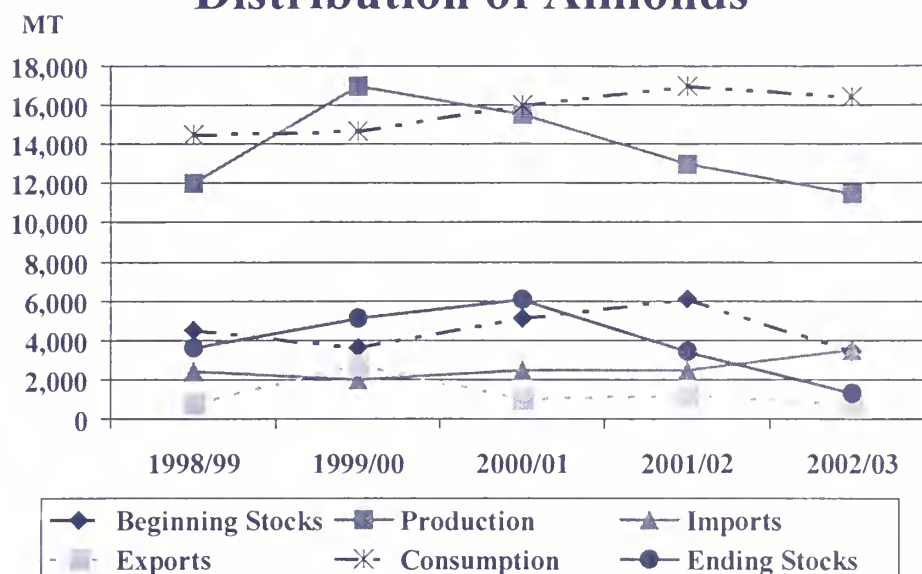
Production

Greece's 2002/03 almond production is forecast at 11,500 tons (shelled basis), down 12 percent after a bad winter with snowstorms and extremely low temperatures that seriously affected tree production in most of the regions. Some of the tree population will recover and next year's output will probably return to normal levels. The quality of the 2002/03 crop is expected to be very good. Due to the

cyclical nature of tree yields and relatively stable tree numbers, with a slightly downward trend, the outlook for almond production over the next 3 to 5 years is estimated to average about 13,500-14,000 tons/annum (shelled basis), provided that weather conditions will be favorable and without extremes, unlike the weather experienced in 2002. The main areas for traditional almond production in Greece are in the prefectures of Magnesia, Larisa (Thessaly) and Serres and Kavala (E. Macedonia), where 70 percent of the national almond tree population is concentrated. Yields vary, with the best size and quality kernels being those of the late blossoming Feragnes variety, which are produced in central Greece and Macedonia. The actual planted area has decreased to approximately 39,000 hectares without a drop in yields, which is due to better growing methods and more trees per area unit. Old, non-yielding orchards and aged, scattered trees have been uprooted, or otherwise taken out of a harvesting program.

A non-uniform product characterizes Greek almond production and supply, due to the many varieties harvested, the variable effects of weather, and the different ages of trees. The cost of production, which is much higher than in other almond-producing countries, is another problem. Farmers prefer to focus on other crops whenever possible. This situation makes the Greek market a further potential market for U.S. almonds, taking into consideration that domestic demand is gradually increasing.

Greece: Production, Supply & Distribution of Almonds



Source: USDA. Agricultural Attaché Reports

Consumption

Domestic annual consumption of almonds is roughly 16,000-17,000 tons and increasing slowly but steadily from year to year, with Greece being among the largest per capita tree nut consumers in the world. Consumption has risen almost 30 percent since 1991 and is expected to continue growing parallel to an annual increase in tourism and the use of nuts in confectionary, bakery and ice cream industries. Almond consumption represents 26 percent of total nut consumption in the country,

which is estimated at 60,000 tons (including pistachios, peanuts, hazelnuts, walnuts, and various kinds of imported nuts). These consumption figures include snack, confectionary, ice cream, and bakery uses. Trade sources report that this tree nut consumption increase is taking place not only in Greece, but all over the world, estimated at 15-20 percent over the past 2 years. Trade sources also comment that this change is due to an aggressive U.S. market promotion activity, a better priced product and the fact that new markets were recently developed and became oriented to almond consumption.

Exports

Exports in 2002/03 are forecast at 700 tons, down 42 percent from the previous year. In Calendar Year (CY) 2000 (the most recent official trade data published) \$7.4 million in almonds were imported; \$8.1 million were imported in 1999; and \$9.2 million were imported in 1998, mostly from the United States. (70-85 percent) and Spain (10-15 percent). Exports of Greek almonds in CY 2000 totaled 1,127 tons, valued at only \$3.26 million, as compared to \$2.86 million in 1999. Half of this was exported to other EU states and half to Bulgaria, Cyprus, Iran and other developing countries. Imported product was primarily used by the confectionary and chocolate industries. Imports tend to decrease when there is excess carry over. Pre-processed U.S. almonds (roasted and flavored in canned packages) are used in developing a snack food market, as consumers like their quality and uniformity. However, U.S. nuts are mainly used for further processing to meat halves, almond powder and slices, ultimately by the confectionary sector.

ITALY

Production

Commercial almond production in 2002 is preliminarily forecast at 9,000 tons (shelled basis), half the good crop harvested last year. Weather conditions have been not been favorable in either Apulia or Sicily, the two key producing regions. However, while in Sicily the orchards have been affected by a continued drought, which compromised the yields per tree, in Apulia the main factor was frost reported in early April, which cut dramatically the crop perspectives. Furthermore, some observers tie the production decrease to the cyclical crop fluctuation, which is more pronounced in Italy's ageing almond trees. Since only a minimal number of new orchards have been planted recently, Italian almond production, in the medium to long term, is expected to decline.

Consumption

Domestic almond consumption is projected to increase in 2002/03 due to a general upward tendency in nut consumption. Tree nuts are a traditional component of the Mediterranean diet, which is being heavily promoted as a healthy diet. Due to increased health awareness, tree nut consumption has grown in Italy over the past several years with almonds leading the way. Relatively cheap almond prices are favoring domestic consumption, in partial substitution for other, more expensive nuts. Imported almonds are mostly consumed in northern Italy, while local almonds are more popular in the south, where Italian production is concentrated.

Trade

Total almond imports in 2001/02 decreased slightly from the previous year, due mainly to the relatively large domestic crop. Imports were favored by the low international prices, particularly

from the United States. Shipments from California to Italy rose by 24 percent and accounted for 64 percent of total Italian imports. Total imports in 2002/03 are anticipated to increase substantially, following the expected major decline in domestic production.

The current EU ad valorem customs duty for shelled almonds is 2 percent for imports within the EU-wide quota of 90,000 tons, and 3.5 percent for imports over the quota. The EU export subsidy for shelled almonds is currently set at 45 euros per metric ton.

The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Spain, Italy, Greece and Turkey. For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also please visit the tree nuts web page at: <http://www.fas.usda.gov/http/horticulture/nuts.html> for further information.

Almonds: Production, Supply and Distribution in Selected Countries

Country Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Metric tons, in-shell basis							
Greece							
1999/2000	3,623	17,000	2,000	22,623	2,800	14,700	5,123
2000/2001	5,123	15,500	2,500	23,123	1,000	16,000	6,123
2001/2002	6,123	13,000	2,500	21,623	1,200	17,000	3,423
2002/2003	3,423	11,500	3,500	18,423	700	16,400	1,323
2003/2004 F	1,323	13,000	3,650	17,973	800	16,250	923
Italy							
1999/2000	1,000	17,000	16,400	34,400	2,000	30,400	2,000
2000/2001	2,000	10,000	16,000	28,000	2,200	24,800	1,000
2001/2002	1,000	18,000	15,000	34,000	3,000	25,000	6,000
2002/2003	6,000	9,000	17,000	32,000	2,000	28,000	2,000
2003/2004 F	2,000	15,000	15,000	32,000	2,000	28,000	2,000
Spain							
1999/2000	0	66,000	34,000	100,000	43,000	52,000	5,000
2000/2001	5,000	53,000	32,000	90,000	51,000	38,500	500
2001/2002	500	57,000	42,000	99,500	54,000	45,000	500
2002/2003	500	69,000	40,000	109,500	56,500	50,000	3,000
2003/2004 F	3,000	58,000	43,000	104,000	54,000	49,000	1,000
Turkey							
1999/2000	1,000	14,000	2,000	17,000	200	14,800	2,000
2000/2001	2,000	15,500	2,500	20,000	500	16,500	3,000
2001/2002	3,000	14,000	1,500	18,500	500	16,000	2,000
2002/2003	2,000	15,000	1,500	18,500	500	16,000	2,000
2003/2004 F	2,000	15,000	2,000	19,000	500	16,500	2,000
United States 2/ 3/							
1999/2000	41,656	361,362	103	403,121	228,171	95,185	79,765
2000/2001	79,765	303,700	28	383,493	239,802	95,020	48,671
2001/2002	48,671	376,488	80	425,239	279,463	113,076	32,700
2002/2003	32,700	426,384	59	459,143	286,932	116,132	56,079
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	47,279	475,362	54,503	577,144	276,171	207,085	93,888
2000/2001	93,888	397,700	53,028	544,616	294,502	190,820	59,294
2001/2002	59,294	478,488	61,080	598,862	338,163	216,076	44,623
2002/2003	44,623	530,884	62,059	637,566	346,632	226,532	64,402
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing years: United States - August to July Greece - Oct. - Sept.; Spain, Italy & Turkey - Sep to Aug

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché Reports, Bureau of Census and USDA/NASS

U.S. Exports of Almonds to the World

Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Rank in 2001/02
metric tons, shelled, in-shell & processed total						
Germany	45,643	38,870	38,516	43,169	40,931	1
Spain	19,019	22,502	25,416	28,425	39,392	2
India	20,017	14,665	22,182	26,516	32,921	3
Japan	22,485	16,505	18,905	21,432	26,309	4
Belgium-Luxembourg	5,190	4,900	6,298	11,019	16,004	5
Netherlands	12,694	11,677	11,172	14,071	15,243	6
Canada	9,328	9,780	11,248	11,199	12,295	7
France	11,303	9,946	9,980	11,276	12,206	8
Hong Kong	3,030	3,407	8,625	12,964	11,010	9
United Arab Emirates	4,693	4,504	4,950	9,938	10,902	10
Italy	7,596	8,921	6,355	7,595	9,496	11
United Kingdom	11,413	10,255	8,463	7,832	8,385	12
Korea; Republic of	2,633	2,666	3,192	4,898	5,463	13
Mexico	4,500	5,780	7,474	5,722	5,171	14
Denmark	3,671	3,201	3,495	4,041	4,374	15
Greece	2,383	2,438	1,915	2,731	3,732	16
Russian Federation	968	105	268	749	3,364	17
Taiwan	2,844	1,965	2,226	3,597	3,290	18
Israel	2,955	2,463	2,891	2,779	3,117	19
Saudi Arabia	2,350	2,055	2,138	3,277	3,031	20
Sweden	3,632	2,818	1,749	2,579	2,524	21
China; Peoples Republic of	312	231	1,342	1,931	2,404	22
Egypt	1,311	1,562	1,001	1,368	1,425	23
Norway	1,625	1,591	1,699	1,316	1,339	24
Jordan	820	353	547	1,284	1,273	25
Turkey	213	190	116	322	1,234	26
Malaysia	545	509	597	839	1,030	27
Lebanon	1,538	1,174	922	1,424	921	28
Czech Republic	568	33	549	762	898	29
Singapore	564	832	831	679	797	30
Finland	602	566	346	573	752	31
Australia	1,877	1,381	1,014	538	748	32
Other Countries	10,677	8,866	7,074	8,134	7,659	
Grand Total (MT)	218,999	196,911	213,496	254,979	289,640	

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

U.S. Imports of Almonds from the World

Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Rank in 2001/02
Metric tons, shelled, in-shell & processed total						
Italy	3	4	8	85	190	1
Spain	5	4	3	5	96	2
Denmark	0	0	29	54	56	3
China; Peoples Republic of	10	30	28	44	21	4
Canada	21	20	8	14	20	5
Germany	0	0	4	4	14	6
Hong Kong	10	14	17	15	14	7
Sweden	0	0	0	0	8	8
Switzerland	0	2	3	2	4	9
France	3	6	3	2	2	10
Other Countries	5	12	3	33	4	
Grand Total (MT)	58	93	107	258	428	

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

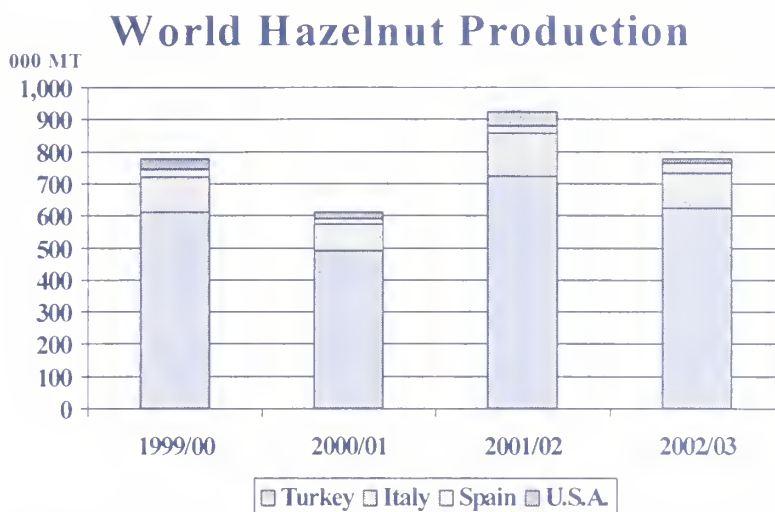
Hazelnut Situation and Outlook in Selected Countries

Production of hazelnuts in 4 major producing countries in 2002/03 is forecast at 779,330 tons, down 16 percent from 2001/02. The decrease was attributed mainly to a 14-percent decrease in Turkey's output as well as decreases in Italy (down 15 percent) and the United States (down 64 percent). Production of hazelnuts in the United States is expected to reach 16,330 tons, down 64 percent in 2002/03. As a result, U.S. hazelnut grower prices are expected to increase substantially from the previous year. Exports of hazelnuts from selected countries are forecast at 518,320 tons, down 12 percent from 2001/02, while domestic consumption is expected to reach 377,450 tons, up 4 percent from the previous year. U.S. hazelnut exports are forecast 11,320 tons, down 18 percent from last year, due to a much smaller crop. Future world production and supplies will be strongly influenced by the outcome of Turkey's implementation of reforms mandated by the International Monetary Fund's (IMF) to gradually phase out its hazelnut support price.

GLOBAL PRODUCTION & TRADE

World production of hazelnuts is expected to reach 779,330 tons in 2002/03, down 16 percent from the previous year. Turkey produces approximately 70 percent of all commercial hazelnuts worldwide and is responsible for almost 80 percent of world exports. Italy is the world's second-largest producer and exporter of hazelnuts. World exports are forecast in 518,320 tons in 2002/03, down approximately 70,000 tons from 2001/02.

The top four producers in 2002/03 are Turkey (625,000 tons), Italy (110,000 tons), Spain (28,000 tons) and the United States (16,330 tons).



GLOBAL POLICY

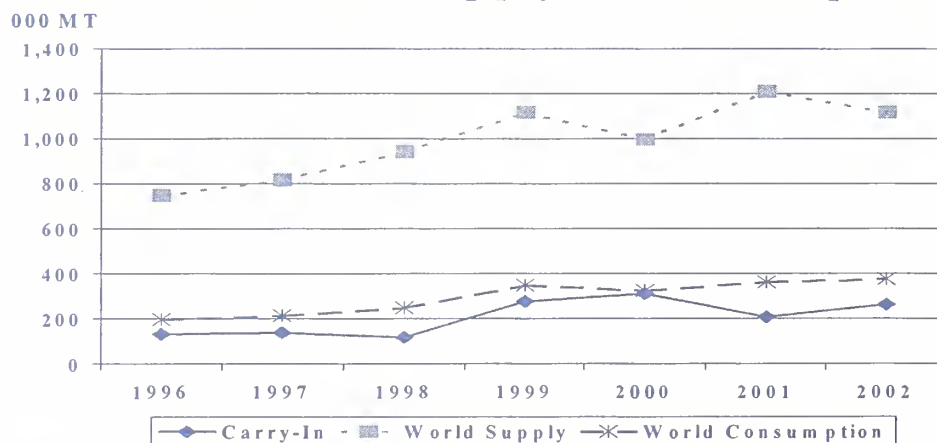
Turkey

In 1999, the Turkish government reorganized the activities of State Economic Enterprises (SEE), including the Union of Hazelnut Sales Cooperatives (FISKOBIRLIK) by giving them autonomy and separating their procurement and processing functions. FISKOBIRLIK, which has 59 member cooperatives, is the most influential policy-making organization in the industry. In the past, the Government of Turkey appointed FISKOBIRLIK's General Director and board members. Now, however, FISKOBIRLIK's 216,000 members elect these officers. FISKOBIRLIK has historically served as a conduit for Turkey's government policy decisions. As a result of historically high support prices, hazelnut area and production expanded significantly, causing overproduction, large stocks, and depressed prices. However, in an effort to reduce inflation and in accordance to IMF commitments, the Turkish government may cease this program. FISKOBIRLIK has requested TL 300 trillion from the government in order to procure about 150,000 tons of hazelnuts at a price around TL 2,000,000 per kilogram (in shell). However, the government has not yet provided any funding. As a result, FISKOBIRLIK has not yet announced procurement prices for Marketing Year 2002. Turkey will hold early elections in November, which may prompt the government to provide funding. Producers are very concerned with the uncertain market situation. According to producers, this has been a particularly difficult year because of the uncertainty surrounding support prices and prices traders will be willing to pay.

Europe

The EU has a fruit and vegetable (F&V) regime in place that is based on producer organizations (POs), which are formed voluntarily by groups of growers and cooperatives. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts to replace the temporary tree nut improvement 10-year program, which ended in June 2002. This program calls for a specific aid of 150 euros per metric ton, to be requested by the recognized producers' associations submitting a quality improvement program.

World Hazelnut Supply & Consumption

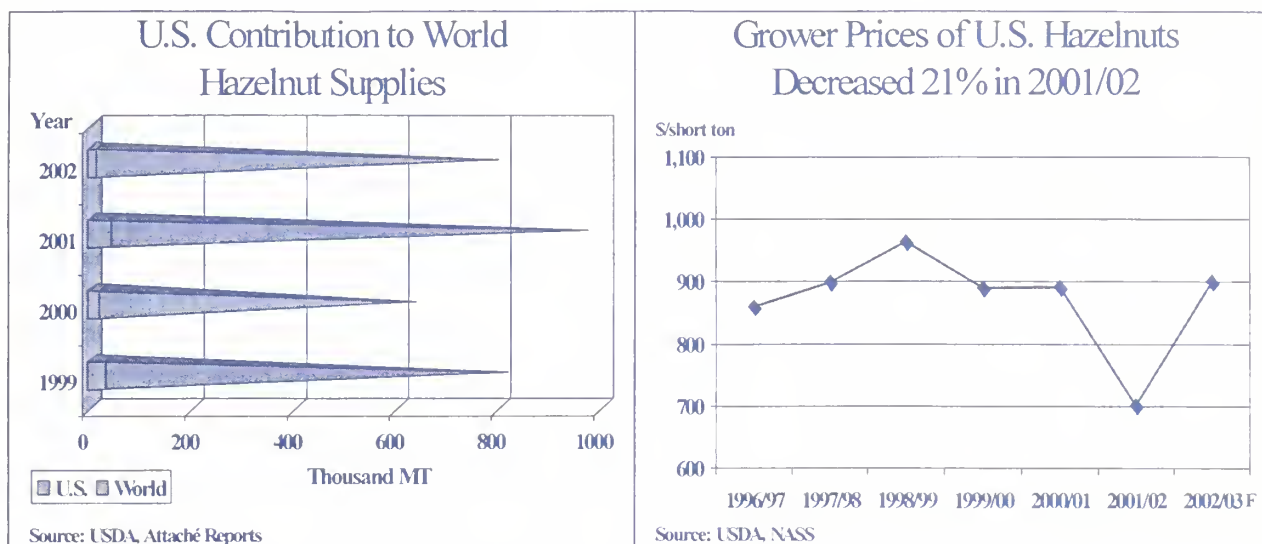


Source: USDA, Attaché Reports

UNITED STATES

Production

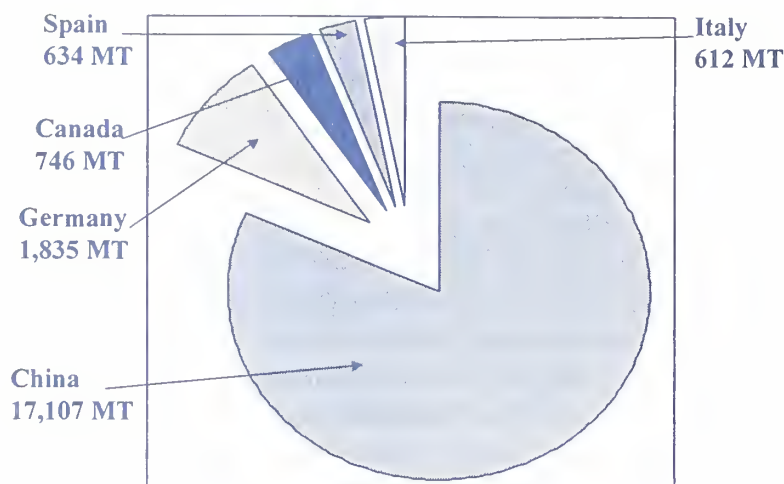
Oregon's hazelnut production in 2002/03 is forecast at 16,330 tons according to the Oregon Agricultural Statistics Service (OASS), which would be 64 percent below last year's revised record crop estimate, and 19 percent less than the 2000 production. Oregon's forecast production will be the lowest since the 1998 crop. Consequently, U.S. hazelnut grower prices are expected to rise substantially from the previous year. With an alternate-year bearing cycle, hazelnut production is projected to greatly decrease from last season's record-high crop. Mild weather since January has been favorable for crop development. Growers began harvest in mid-September. Eastern Filbert Blight continues to limit potential production in infected orchards. There was an average of 445 nuts picked per sample this year from the OASS Hazelnut Objective Yield Survey, compared with 1,148 in 2001, and 354 in 2000. The percentage of good nuts found in the OASS laboratory (84.4 percent) was down from 85.7 percent in 2001 and 84.8 percent in 2000.



Trade

In 2002/03, U.S. hazelnut exports are forecast at 11,320 tons, down 61 percent from the previous year. A decrease in U.S. hazelnut production and higher hazelnut prices are expected to hamper exports. In 2001/02, in-shell hazelnuts accounted for approximately 95 percent of total U.S. hazelnut exports. Major buyers of U.S. in-shell hazelnuts were Asia (primarily China and Korea) accounting for 75 percent, and the EU (primarily Germany, Spain, and Italy) accounting for 16 percent. Northern Africa is the most significant importer of U.S. shelled hazelnuts, purchasing 37 percent of total exports in 2001/02.

Top 5 Markets for U.S. Hazelnuts



Source: U.S. Department of Commerce: Census Bureau
Marketing Year 2001/02

TURKEY

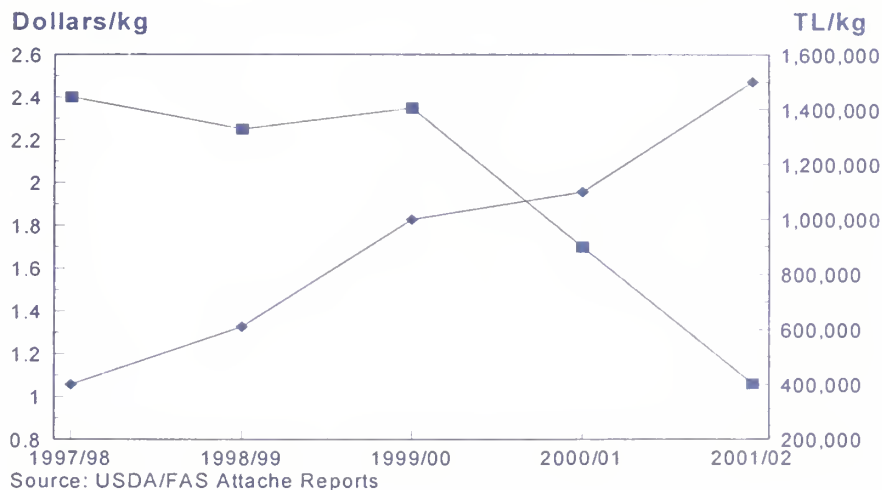
Production

Turkey is the world's leading producer of hazelnuts, accounting for about 70 percent of world supply. Hazelnut production is mainly concentrated along Turkey's Black Sea coast, extending about 25 kilometers inland. The region is divided into three distinct growing areas: (1) the hilly region east of Ordu to Trabzon, centered around Giresun, producing 60 percent of the crop, (2) the flatter, mixed-farming region west of Ordu to Samsun, producing 15 percent, and (3) the area west of Samsun, producing the remaining 25 percent. Hazelnuts require relatively little effort to cultivate and therefore inputs and labor costs are low. Harvesting, which occurs for several weeks in August, constitutes the bulk of the work required.

Hazelnut production is the single most important economic enterprise in the Black Sea region. The total number of growers, estimated at about 400,000, is difficult to determine since almost everyone grows at least some hazelnuts for their own consumption. In addition, early-season crop production and area forecasts are much debated, due to the lack of a systematic crop-survey system. Best estimates put total area at about 540,000 hectares. Growers generally have very small plots. Most eastern producers have an orchard size of only 1-2.5 hectares, using hazelnut sales proceeds to supplement other income. Only a few relatively large growers (10 tons or more annually) depend on hazelnut production for the bulk of their incomes. On the other hand, most central and western farmers have 10-15 hectare orchards. Because of the importance of the crop to such a large number of people, hazelnut production policy has important political implications in Turkey.

In the past, the Turkish government has supported prices for hazelnut production by providing funds to FISKOBIRLIK. However, in an effort to reduce inflation and in accordance to IMF commitments, the government may cease this program. FISKOBIRLIK has requested TL 300 trillion from the Turkish government in order to procure about 150,000 tons of hazelnuts at a price around TL 2,000,000 per kilogram (in shell).

FISKOBIRLIK'S Procurement Price



At the request of the hazelnut industry, the Turkish Technical and Scientific Research Organization (TUBITAK) carried out long-term research on aflatoxin, a major industry concern. One development has been the setting of harvest dates for all producers in order to avoid problems with aflatoxin. The harvest started on August 5 in the lower valleys, on August 12 in the middle-producing areas, and on August 19 on the high-producing areas.

Consumption

Processors and/or traders are the first purchasers of hazelnuts. While there are about 350 processors/traders in Turkey, the five-largest processors account for an estimated 40 percent of production. For the most part, the industry is not vertically integrated; only a few firms participate at the various processing stages. For example, there are approximately 170 hazelnut crackers in Turkey, with a total capacity of 1,250,000 tons (in shell). Around 20 hazelnut processors have a total capacity of 300,000 tons (shelled).

Hazelnuts continue to be a popular snack food in Turkey with the majority consumed as whole nuts. With the depreciation of the TL against the U.S. dollar and other foreign currencies over the last couple years, there was a decline (in real terms) in retail prices for hazelnuts, encouraging consumption. In addition to increased domestic consumption as a snack food, consumption of processed hazelnuts for confectionary items is gradually increasing. Production of a wide range of hazelnut products also increased. However, the recent economic slowdown adversely affected consumption. About 70,000 tons (in shell) hazelnuts are consumed domestically as snack foods and confectionary products. Consumption estimates also include the quantities crushed for oil. The current retail price for shelled roasted hazelnuts in Ankara is about TL 10,000,000 (about \$6.00) per kilogram, unchanged from last year. This is significantly lower than the annual rate of inflation (around 60 percent). The rate of depreciation against the dollar in the same period was about 15 percent.

Trade

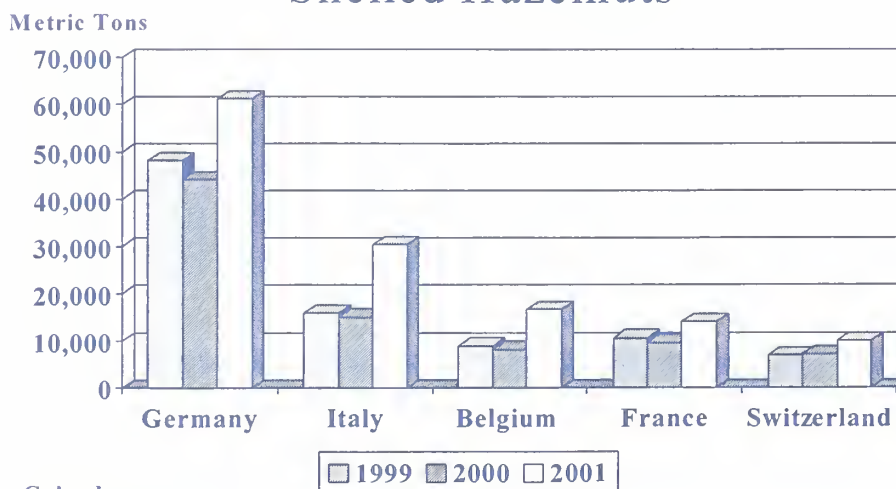
Turkey accounts for about eighty percent of world hazelnut trade. Indicative export prices in mid August were around \$210 per 100 kilograms (bagged, FOB Black Sea) compared to \$350 a year ago. Export prices dropped in the beginning of MY 2001 to \$225 after FISKOBIRLIK announced

procurement prices, which were lower than the market price at that time, and even dropped to \$200 later in the marketing year when FISKOBIRLIK announced that it would end the procurement.

The EU is the major market for Turkish hazelnuts. In the past, most shipments were by sea on an FOB basis. Today, shipping by trucks on a CIF basis is becoming increasingly popular. Although some sales are made directly to end users, most are done through traders. Because of the abundance of the production, little advance contracting is done at present. The government inspects and certifies exports.

About seventy percent of Turkey's hazelnut exports consist of raw kernels, while the remaining thirty percent are processed kernels, including roasted, sliced, chopped, paste, meal, and flour. Very few hazelnuts are exported as finished consumer confectionary items. The trend, however, is to move from raw kernel exports to processed and finished products to capture the increased value added. One constraint to increasing exports of hazelnut confectionary items is the relatively low quality of Turkish chocolates (primary base for hazelnut products) compared to European chocolates. In addition to shifting the export product mix, Turkey is hoping to expand its market presence, mainly in the Far East, former Soviet Union and the United States. Industry representatives in Turkey closely monitor the hazelnut and almond industry in the United States.

Top 5 Export Market for Turkish Shelled Hazelnuts



Calendar years
Source: Official Turkish Data

ITALY

Production

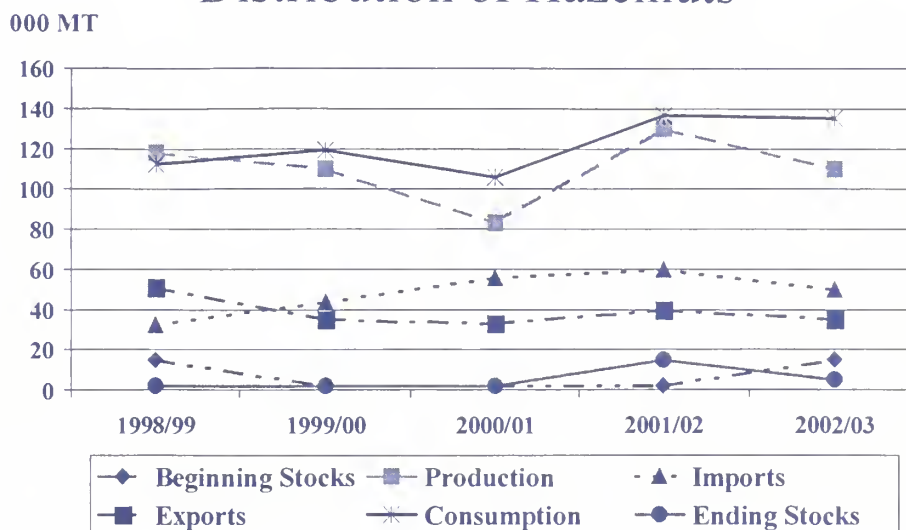
Domestic hazelnut production in 2002/03 is forecast at 110,000 tons (in-shell basis), or 15 percent lower than last year, mainly as a result of the cyclical crop fluctuation. Weather conditions have been generally favorable to the crop development, due in particular to the prolonged, unusual rains during most of July and the first part of August. This was particularly true in both Campania and Latium, where almost two thirds of the Italian hazelnut orchards are located. Domestic hazelnut production consists of long varieties such as Lunga San Giovanni (sold mainly in-shell at premium prices), and round varieties, such as Gentile, Giffoni and Romana, chiefly processed by the confectionary industry. Competition from Turkey remains the key factor, affecting both the domestic

and export markets. Domestic hazelnut prices in 2001/02 averaged some 18 percent less than in the previous year. Prices are the lowest since 1996, and no recovery is anticipated in the near future, given the situation prevailing in Turkey (large production and low prices).

Consumption

Hazelnuts are mainly utilized by the domestic confectionary industry, being the main ingredient in many chocolate products. Domestic consumption recovered substantially in 2001/02 after the drop reported in 2000/01, in line with larger domestic and Turkish supplies, and is expected to remain on the high side during the 2002/03 marketing year, as well.

Italy: Production, Supply & Distribution of Hazelnuts



Source: USDA, Attaché Reports

Trade

Despite the large domestic supplies, imports from Turkey of shelled hazelnuts keep growing, while exports into the main European outlet markets are dramatically affected by the strong competition of the Turkish hazelnuts. As a result, during the most recent years (1999/2000, 2000/01 and 2001/02) Italy has been a net importer of hazelnuts. This is not likely to change in the near future. The main outlet for Italy's hazelnuts remained EU countries (chiefly Germany) and Switzerland.

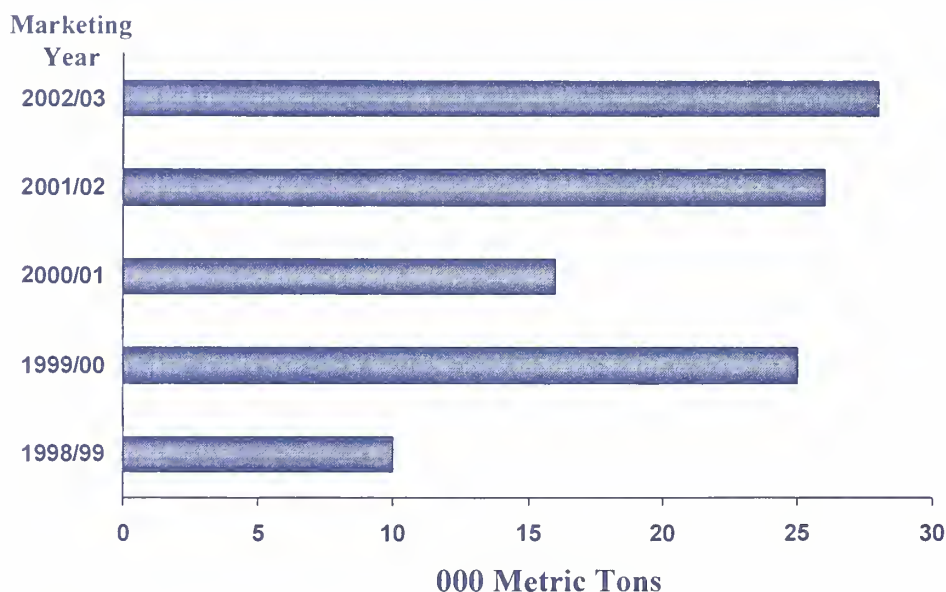
Imports of shelled hazelnuts, mainly from Turkey, during September 2001-March 2002 rose by 35 percent from the same period of 2000/2001, as a result of the cheap price policy adopted by Turkey. The EU ad valorem tariff rate is 3.2 percent for both in-shell and shelled hazelnuts. EU export restitutions for shipments to third countries are presently set at 53 euros per metric ton for in-shell hazelnuts and 103 euros per metric ton for shelled hazelnuts.

SPAIN

Production

The hazelnut harvest in MY 2001/02 (September-August) is expected to reach 28,000 tons, in-shell basis, 2,000 tons more than in the preceding year. About 60 percent of Spain's hazelnut orchard area is under irrigation. Catalonia is the leading hazelnut producing region, accounting for approximately 93 percent of the total area planted. Within this autonomous region, the province of Tarragona accounts for 88 percent of the total, with the rest in the provinces of Gerona and Barcelona. Negreta is the principal variety of hazelnut grown in Spain, comprising nearly 80 percent of total production.

Spain: Hazelnut Production



Source: USDA, Attaché Reports

Although the average producer price for the in-shell Negreta variety in 2001 was 1.25 euros per kilogram, practically unchanged from year-earlier levels, it has declined dramatically since the beginning of the current MY 2001/02 as a result of the large domestic harvest and increased Turkish hazelnut shipments to Europe. Current hazelnut prices (July 2002) have declined to 2.25 euros per kilogram (kg), shelled Negreta basis, from 3.67 euros/kg from the same month of a year earlier. This represents a nearly 40-percent decline, placing the Spanish hazelnut industry in a critical situation.

Consumption

As is the case of almonds, hazelnut consumption is expected to grow in the current MY 2001/02, commensurate with the size of the crop. The confectionary and chocolate industries use about 60-70 percent of domestic supplies. Hazelnuts are also used for snacks and are often marketed in snack packs.

Trade

Spanish hazelnut imports in MY 2001/02 (September-August) are running well above last year's pace. Thus, during the period September 2001-March 2002 (first seven months of the marketing year), imports increased 49 percent to 9,622 tons from the comparable period of a year earlier. For

the entire 2001/02 marketing year, they are projected at 12,000 tons, 3,000 tons more than in the preceding year. Turkey is by far the major supplier (with a 65 percent import market share in MY 2000/01). U.S. hazelnut exports to Spain decreased to 446 tons in 2000/01 from the previous year's 647 tons.

Spain's hazelnut exports during the first seven months of the current MY 2001/02 were down 55 percent to 3,987 tons, in-shell basis, from the comparable period a year earlier. However, for the entire 2001/02 marketing year, exports are projected at 9,000 tons, some 3,000 tons less than in the previous year.

The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Italy, Spain and Turkey. For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also please visit the tree nuts web page at: <http://www.fas.usda.gov/http/horticulture/nuts.html> for further information.

Hazelnuts: Production, Supply and Distribution in Selected Countries

Country Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Metric tons, in-shell basis							
Italy							
1999/2000	2,000	110,000	44,000	156,000	35,000	119,000	2,000
2000/2001	2,000	83,000	56,000	141,000	33,000	106,000	2,000
2001/2002	2,000	130,000	60,000	192,000	40,000	137,000	15,000
2002/2003	15,000	110,000	50,000	175,000	35,000	135,000	5,000
2003/2004 F	5,000	130,000	50,000	185,000	35,000	135,000	15,000
Spain							
1999/2000	0	25,000	9,700	34,700	14,000	17,200	3,500
2000/2001	3,500	16,000	11,000	30,500	12,000	17,000	1,500
2001/2002	1,500	26,000	12,000	39,500	9,000	20,000	10,500
2002/2003	10,500	28,000	10,000	48,500	12,000	21,000	15,500
2003/2004 F	15,500	20,000	11,000	46,500	12,000	21,000	13,500
Turkey							
1999/2000	275,000	610,000	3	885,003	397,613	187,390	300,000
2000/2001	300,000	490,000	0	790,000	406,343	183,657	200,000
2001/2002	200,000	725,000	3,000	928,000	510,000	183,000	235,000
2002/2003	235,000	625,000	3,000	863,000	460,000	203,000	200,000
2003/2004 F	200,000	625,000	3,000	828,000	450,000	203,000	175,000
United States 2/ 3/							
1999/2000	103	34,500	6,260	40,863	13,093	23,667	4,103
2000/2001	4,103	22,680	9,885	36,668	15,999	18,669	2,000
2001/2002	2,000	44,816	5,411	52,227	28,750	22,477	1,000
2002/2003	1,000	16,330	12,550	29,880	11,320	18,450	110
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	277,103	779,500	59,963	1,116,566	459,706	347,257	309,603
2000/2001	309,603	611,680	76,885	998,168	467,342	325,326	205,500
2001/2002	205,500	925,816	80,411	1,211,727	587,750	362,477	261,500
2002/2003	261,500	779,330	75,550	1,116,380	518,320	377,450	220,610
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing years: United States - July to June; Spain, Italy & Turkey – Sept.-Aug.

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché Reports, Bureau of Census and USDA/NASS

U.S. Exports of Hazelnuts to the World

Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Rank in 2001/02
metric tons, shelled, in-shell total						
Hong Kong	3,210	1,272	4,185	7,091	16,294	1
Germany	5,445	2,520	1,263	1,879	1,788	2
China; Peoples Republic of	719	404	642	244	1,318	3
Canada	1,280	910	807	970	675	4
Spain	574	510	529	592	634	5
Israel	919	199	443	463	634	6
Italy	2,517	166	357	322	600	7
Egypt	407	297	427	194	423	8
Venezuela	196	309	451	425	369	9
Mexico	529	373	388	449	364	10
United Kingdom	936	701	441	293	273	11
Brazil	672	326	410	249	272	12
France	263	69	84	95	133	13
Greece	0	20	54	15	43	14
Argentina	138	31	0	0	40	15
Other Countries	1,394	526	657	576	175	
Grand Total (MT)	19,198	8,632	11,137	13,859	24,033	

U.S. Imports of Hazelnuts from the World

Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Rank in 2001/02
metric tons: shelled & in-shell total						
Turkey	3,839	5,203	5,356	4,791	6,630	1
Canada	342	282	347	326	347	2
New Zealand	0	20	0	0	40	3
Italy	0	22	10	62	28	4
Bolivia	0	31	0	0	16	5
China; Peoples Republic of	0	2	0	0	1	6
India	0	0	0	1	1	7
Moldova; Republic of	0	0	0	0	1	8
Azerbaijan; Republic of	0	29	74	0	0	9
Germany	0	0	0	0	0	10
Netherlands	0	0	60	0	0	11
Peru	0	0	0	0	0	12
Spain	0	0	0	0	0	13
Ukraine	0	0	0	0	0	14
United Kingdom	0	0	0	0	0	15
Grand Total in MT	4,181	5,590	5,847	5,180	7,063	

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

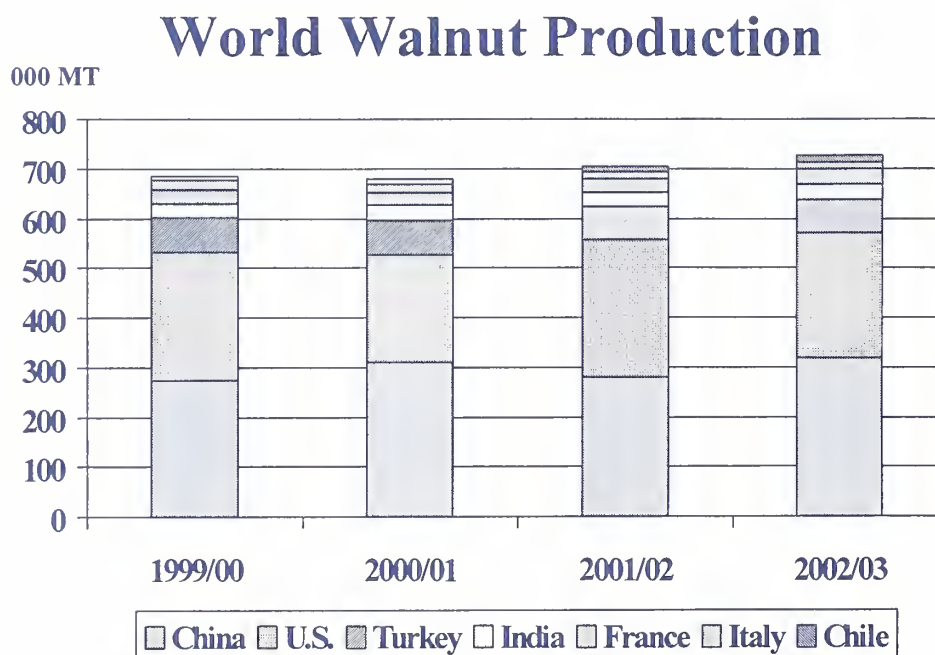
Walnut Situation and Outlook in Selected Countries

Production of walnuts in 6 major producing countries in 2002/03 is forecast at 726,980 tons, up 3 percent from 2001/02. The increase was attributed mainly to a 15-percent increase in China's output as well as increases in Italy (up 15 percent) and India (up 10 percent). Production of walnuts in the United States is expected to reach 249,480, down 10 percent in 2002/03. As a result, U.S. walnut grower prices are expected to increase substantially from the previous year. Exports of walnuts from selected countries are forecast at 183,059 tons, up 5 percent from 2001/02, while domestic consumption is expected to reach 587,735 tons, up 3 percent from the previous year.

GLOBAL PRODUCTION & TRADE

World production of walnuts is expected to reach almost 727,000 tons in 2002/03, up 3 percent from the previous year. China produces approximately 44 percent of all commercial walnuts worldwide, but is responsible for only 14 percent of world exports. The United States is the world's second-largest producer and the world's largest exporter of walnuts. World exports are forecast in 183,059 tons in 2002/03, up approximately 9,000 tons from 2001/02.

The top four producers in 2002/03 are China (320,000 tons), the United States (249,480 tons), Turkey (68,000 tons), and India (32,000 tons). Other key producers include Chile, France and Italy.



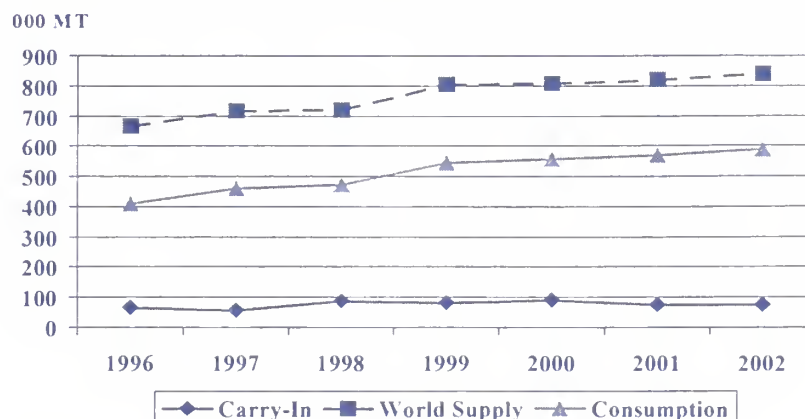
Source: USDA Attaché Reports

GLOBAL POLICY

As part of China's agricultural restructuring, China's State Forestry Administration introduced a pilot program called *Cropland Conversion to Forest and Grassland*. During 2000, the first year for the program, a total of 683,600 hectares were converted. The program provides cash, grain, and seedling subsidies and farmers cannot grow other crops. The program allows a maximum of 20 percent of the converted area to be for economic trees (e.g., walnuts, pecans, and other nut or fruit bearing trees). Several specialists in key production regions believe that walnuts will be the trees of choice in the conversion. In some areas, walnut seedlings could comprise 5 to 10 percent of the total converted area. Walnut and other nut bearing trees are considered a more attractive alternative because they require less management and nuts can be stored and distributed easily with little damage. Farmers, specialists, and government officials view walnut production as an ecological and economic alternative to cropland agriculture. In general, the program has been well received, but there have been a few operational difficulties, including management.

The EU has a fruit and vegetable (F&V) regime in place that is based on POs that are formed voluntarily by groups of growers and cooperatives. However, less than half of all Spanish fruit and vegetable production is under POs. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts to replace the temporary tree nut improvement 10-year program, which ended in June 2002. However, growers claim that the subsidy rate of 100 euros/ha is insufficient, given current increased production costs and depressed market prices. Member countries would have the option of supplementing this payment with up to an additional 109 euros/ha, but even the maximum payment (209 euros/ha) is lower than what they were getting from the tree nut improvement program (a minimum of 242.6 euros/ha).

World Walnut Supply & Consumption

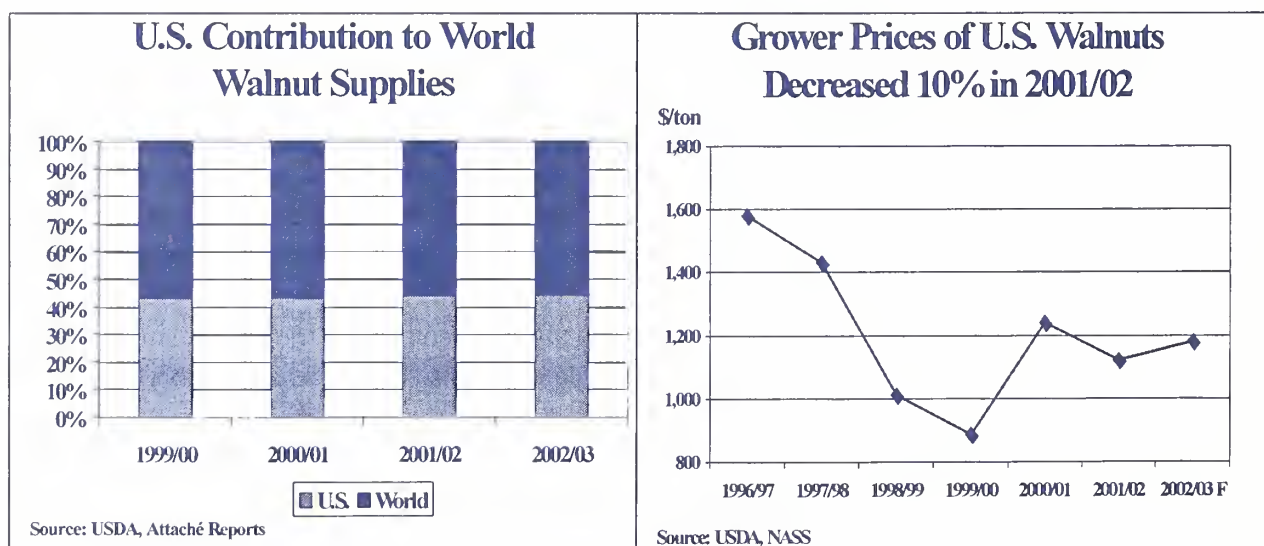


Source: USDA, Attaché Reports

UNITED STATES

Production

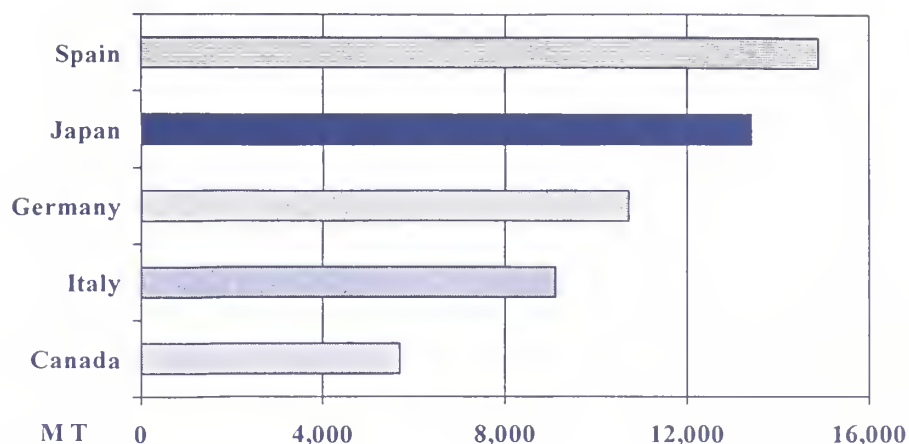
California's 2002/03 walnut production is forecast at 249,480 meat tons, down 10 percent from last year's record crop. The 2002 Walnut Survey utilized a total of 679 blocks with two sample trees per block. Survey data indicated an average nut set of 1,572, down 9 percent from the 2001 average of 1,719. The Hartley nut set was down 4 percent; Chandler, was down 24 percent; Serr, was down 6 percent; and Franquette was up 14 percent from 2001. The percent of sound kernels in-shell was 96.3 statewide. In-shell weight per nut was 22.0 grams, while the average in-shell suture measurement was 32.4 millimeters. The average length in-shell was 38.5 millimeters. The forecast is based on 196,000 bearing acres. The decrease in U.S. production of walnuts forecast for 2002/03 is not expected to increase grower prices. As a result, U.S. exports of walnuts to the world are expected to decrease slightly from the previous year. The walnut crop got off to a great start this year, as weather conditions were nearly ideal during the critical bloom and pollination period. However, an early-March freeze in the Sacramento Valley caused damage to trees in several counties.



Trade

In 2002/03, U.S. walnut exports are forecast at 105,559 tons, down slightly from the previous year. A decrease in U.S. walnut production and higher walnut prices are expected to hamper exports. In 2001/02, in-shell walnuts accounted for approximately 67 percent of total U.S. walnut exports. Major buyers of U.S. in-shell walnuts were the EU (primarily Spain, Italy, and Germany) accounting for 69 percent and Asia (primarily Japan and China) purchasing 17 percent. Asia is the most significant importer of shelled walnuts, purchasing 31 percent of total U.S. shelled exports in 2001/02.

Top 5 Markets for U.S. Walnuts



Marketing Year 2001/02

Source: U.S. Department of Commerce, Census Bureau

CHINA

Production

In 2002/03, walnut production in China is expected to reach 320,000 tons, up 15 percent from the previous year. Early estimates are that 2002/03 production will surpass that of the previous two years as more bearing acreage planted in the 1990s becomes commercially viable. Improvements in tree nut management should also result in production increases. In addition, favorable weather during the 2002/03 blossom period for walnut trees is another indication that production should increase. Walnut production in 2001/02 was lower than expected due to complications brought on by late frosts during bloom in parts of western China and high elevation areas in southern China. It was reported that in 2001/02, some in-husk walnuts dropped prematurely and all walnut production in some key production bases was lost.

Older walnut producing areas are scattered throughout China and are mainly Persian variety walnuts. Walnut production should start growing because planting acreage is expanding and planting density is increasing. Over the last several years, black walnut varieties from the United States have been planted successfully in south China. Black walnut varieties in south China are often grafted to help the seedlings adapt better to the terrain and weather conditions. Specialists in western China have conducted trial planting and grafting of black walnuts, but they will not make any recommendations until they determine how the varieties will withstand harsh weather conditions.

Consumption

Chinese consumers prefer in-shell nuts that can be cracked by hand. They are considered to be cleaner and they are cheaper than processed nuts. Walnut demand is often highest during the Chinese lunar New Year in late winter or early spring. Walnut demand is also high during China's mid-Autumn festival in late September. Walnut demand during the mid-Autumn festival is met with fresh walnuts supplied by domestic growers as opposed to imported nuts.

The Chinese consider walnuts to be a health food, which is good for the brain, hair, and kidneys. While walnuts are mostly consumed fresh or dried, they are also consumed as a processed snack

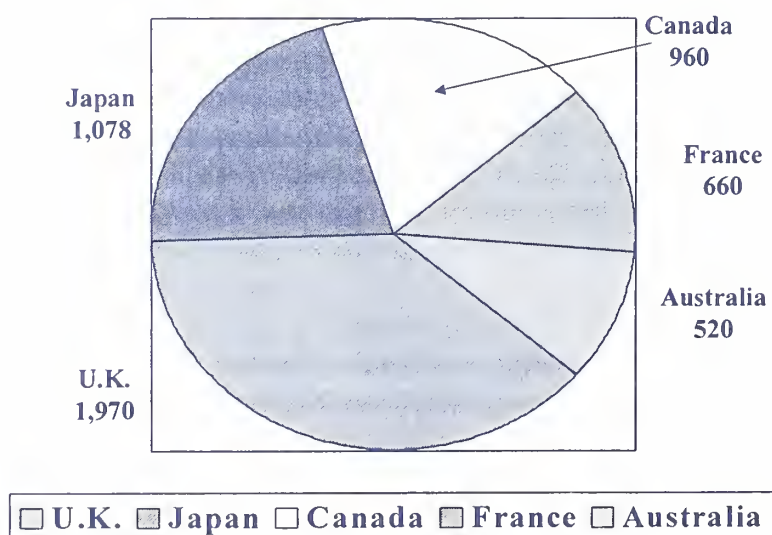
food. Processed walnuts are coated in honey or sugar and sesame seeds. Use of dried walnuts in the baking and confectionary industry is growing; it is increasingly common to see walnuts baked into breads, rolls, cookies, and cakes. Walnuts are also ground into powders for porridge or processed into a milk-like product. In some rural places, walnuts are also crushed for oil.

Packaged walnut consumption seems to be higher in large cities including Beijing, Shanghai and Guangzhou. Consumers in other large cities, such as provincial capitals and coastal cities, also tend to have a higher purchasing power for processed and packaged nuts. According to processors and traders, bulk bin walnut sales in large inland cities and provincial county seats surpass sales of packaged nuts.

Trade

China's walnut exports in 2002/03 are forecast at 25,000 tons, up forty-seven percent from the previous year. This increase is attributed to the large increase in walnut production and an increase in area harvested. Exports were down in 2001/02 for a number of reasons. Lower production and increased domestic demand eroded China's price competitiveness. Chinese industry sources believe that China's walnut exports will depend on its ability to produce highly processed and high value walnut products. These products will most likely be targeted at markets in Asia and Europe because the price will be too high for most domestic consumers. Chinese traders say that eastern European countries are supplying a greater share of nut exports to Europe. Meanwhile, India appears to be increasing its market share in Australia. The result is that China's tree nuts are losing ground on the international market. Some Chinese trading companies feel that international walnut consumption is growing by around 1 percent a year. These companies do not want to be excluded from what is considered a stable, growing market.

China's Top 5 Walnut Export Markets Shelled Metric Tons



Source: Official Chinese Government Statistics

China's walnut imports are expected to drop from 900 tons in 2001/02 to 500 tons in 2002/03. Lower domestic production and rising domestic demand in 2001/02 helped increase imports over the last marketing year. In addition, rising international demand for shelled and processed walnuts helped increase China's imports for processing walnuts that were later re-exported to other countries. Demand for in-shell walnuts has grown over the last year, is in large part due to increased processing capacity by existing processors in south China that re-export packaged in-shell nuts, shelled nuts, and seasoned nuts to other countries. Processing operations prefer U.S. or third-country nuts for three reasons: 1) nut size is more uniform than most Chinese walnuts thereby making walnut cracking or shelling much easier; 2) the quality is often more uniform; and 3) in coastal cities it continues to be easier to order a shipment of U.S. or third-country walnuts for delivery than to coordinate delivery from several domestic growers and suppliers from inland China.

TURKEY

Production

According to official statistics, the number of bearing and nonbearing trees has been increasing slowly. Based on this trend and the shift to better varieties, sources forecast steadily increasing production as earlier planted trees reach bearing age and more trees are planted. Although official estimates place production at around 120,000 tons (in-shell basis at a conversion factor of 1:2.5), most private sources believe that production is only about 68,000 tons. Some international estimates report even lower figures. The lack of a systematic crop survey and widely divergent estimates make it difficult to accurately estimate the crop.

Walnuts grow throughout most of Turkey. In the past, they generally were not cultivated but simply harvested from natural forests. However, during the past two decades, increased demand (and prices) have made walnut cultivation more attractive encouraging greater investment in the sector. The Horticultural Research Institute (HRI) in Yalova is the leading walnut research facility in Turkey and has developed nine standard varieties with higher yields. Thus far, only a few of these improved varieties have been planted commercially. In addition to the HRI, several private companies have begun commercial propagation of improved walnut varieties.

Consumption

Per capita consumption appears relatively stable, with long-term increases in aggregate consumption resulting from increases in population. About 50 percent of the crop is used for home consumption and the remainder is marketed commercially. Most of the commercially marketed walnuts are consumed directly with very little processed. The retail price for shelled walnuts in Ankara currently is about TL 15,000,000 per kilogram, compared to TL 8,000,000 a year ago. MY 2000/01 and MY 2001/02 consumption estimates were slightly decreased because of the economic crisis, which led to decreased imports and lower supplies.

FRANCE

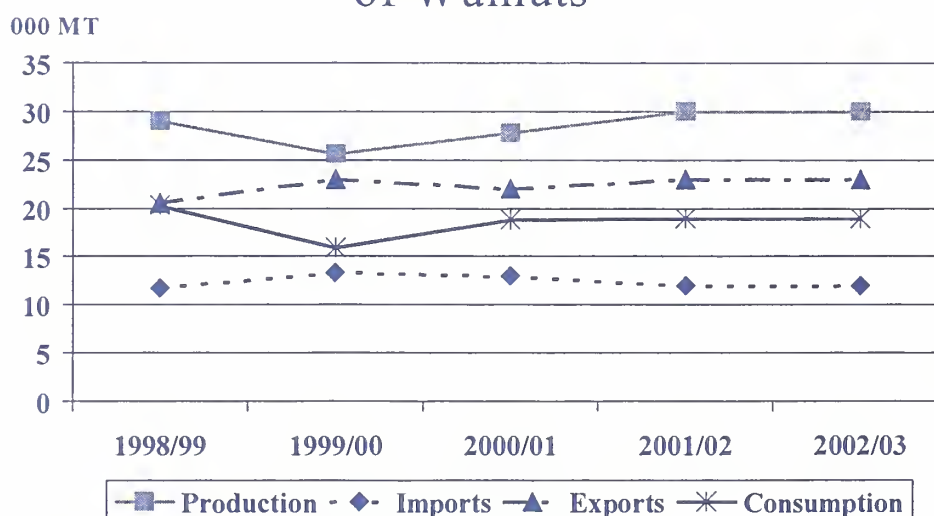
Production

France is the leading European producer of walnuts, with roughly 25 percent of total European production. In 2002/03, French walnut production is expected to be higher than in 2001/02 at 30,000

tons, although some hailstorms affected the walnut orchards in the Isère region in mid-July 2002. French walnut production for 2000/01 and 2001/02 were respectively revised to 28,660 tons and 27,810 tons, in line with recent estimates by the Office of Statistics of the French Ministry of Agriculture and Fisheries.

Walnut production includes roughly 2,000 tons of in-shell fresh walnuts sold in September and October, 7,000-8,000 tons of in-shell dried walnuts, and 11,000-12,000 tons of shelled walnuts. Shelled walnuts are used either for industrial food processing (60 percent), craft food processing (30 percent), or sold as such (10 percent).

France: Production, Trade & Consumption of Walnuts



Source: USDA, Attaché Reports

Consumption

Walnuts are consumed as such for snacking or home cooking, or in by-products, such as walnut oil, or shelled walnuts used as ingredients in the pastry, bakery and cheese industries. French households are estimated to purchase approximately 7,000-9,000 tons of in-shelled walnuts (including 2,000 tons of fresh walnuts and 7,000 tons of dried walnuts), and 6,000 tons shelled walnuts per year. Most of the French southeastern production (roughly 75 percent) is for the in-shell walnut market, while more than half of the southwestern production goes to the shelled walnut market segment. Overall, large grades are for the in-shell walnut market, while smaller grades are for the shelled walnut market. The French per capita consumption of walnuts is 150 grams of in-shell walnuts and 200 grams of shelled walnuts per year. In-shell walnuts are mainly consumed during the late fall and in winter. However, there is no seasonality for shelled walnut consumption.

Trade

Exports in 2002/03 are forecast at 23,000 tons, up slightly from the previous year. France is a net exporter of walnuts, principally to EU member states and Switzerland. French and U.S. walnuts compete for these markets. During the first 8 months of MY 2001/02 (October-May), French exports of walnuts declined by 6 percent to 18,720 tons compared to the same period of MY 2000/01, due mainly to reduced shipments to Germany and Spain, which are France's leading export

markets. However, French exports to Italy and Switzerland increased significantly during the same period. The decline in overall French exports resulted principally from the stiff price-competition with U.S. walnuts on European markets. In 2001/02, as U.S. walnuts were sold at significantly lower prices than French walnuts in Europe, prices for French walnuts declined and were lower than in 2000/01. In 2002/03, the currently low U.S. dollar relative to the euro is expected to be beneficial for U.S. products on the European market.

INDIA

Production

India's 2002/03 walnut production is forecast to increase by 10 percent to 32,000 tons, due to the higher yielding phase of the trees' alternating bearing pattern and favorable weather conditions during flowering and fruiting (March/April). However, production prospects have been tempered by dry conditions during June/July resulting in shrinkage in the nut size and shriveling. Market sources expect the nut size to be down by 5-10 percent compared to that from the previous year (nut size varies from 24-32 mm). There are no reports of any pest or disease attacks. Arrivals are expected to be timely from early September through December, peaking in late October. Assuming normal weather, the 2003/04 walnut crop is forecast lower at 30,000 tons due to the low yielding phase of the alternating bearing pattern. Indian walnuts are grown almost entirely (98 percent) in Jammu and Kashmir under rain fed conditions in rocky terrain. Stagnant grower prices and continued violence in the traditional producing areas of Kashmir have discouraged additional plantings. Yields are low due to the lack of irrigation and low fertility, ranging from 18-50 kilograms per tree per year. Indian walnuts are classified as hard, medium or thin shell (Kaghazi). The average shelling rate is 40 percent, but can go as high as 70 percent in the case of the thin-shelled Bakshi variety.

Consumption

Strong export demand and tight supplies are expected to limit domestic consumption of walnuts to 16,000 tons in 2002/03. Comparatively low prices for almonds in the last few years have encouraged middle class consumers and some institutional users to shift from walnuts to almonds during the fall festival season. Walnut usage by the confectionary and ice cream industry is expected to continue to increase, however, as prices are still competitive with other nuts, such as cashew nuts and pistachios. Around 2 percent of walnuts (normally rancid nuts) are used for oil extraction to be utilized by soap and cosmetic manufacturers. Walnut consumption will remain stagnant in 2003/04 at 16,000 tons owing to lower domestic supplies.

Due to larger than anticipated exports, 2001/02 consumption has been lowered to 15,000 tons. Growers and wholesalers are currently holding a major portion of the 2001/02 ending stocks. Supported by a strong resurgence in export demand, domestic walnut prices were very firm in 2001/02. Due to comfortable domestic supplies, 2002/03 prices are expected to remain at last year's level.

Trade

Although walnut exports depend largely on domestic prices and export demand, exports in 2002/03 are expected to increase to 17,000 tons on improved domestic supplies and drop to 15,000 tons in 2003/04 on forecast lower production. Exports during MY 2001/02 reached 16,000 tons on strong demand from the EU and improved export competitiveness due to the decline in the value of the Indian rupee. The value of the Indian rupee compared to the U.S. dollar declined by 9-10 percent during 2001/02. Major export destinations during the Indian fiscal years 2000 and 2001 were Spain, Germany, France, the United Kingdom, Greece, Egypt, the Netherlands, Denmark and Italy. Most walnuts are exported from October through March. More than 95 percent are exported as kernels (40 percent light halves; 20 percent amber halves/broken; and the balance as broken).

There are no restrictions on walnut exports, and no export subsidies are provided. Imports of walnuts, and most other dry fruits and nuts, are allowed without restriction under the Open General License (OGL), subject to an effective import duty of 40.4 percent. Given the high tariffs and strong domestic production, opportunities for imports are negligible.

ITALY

Production

Italy's walnut production in 2002/03 is forecast at 15,000 tons, or 15 percent more than last year's crop, relatively poor in terms of both volume and quality. Weather developments have been fairly good in Campania, the leading producing region of the local Sorrento variety. The quality of the 2002/03 crop is anticipated to be very good, particularly with reference to the average nut size. Planted area remains marginal and is not expected to expand in the near future, with the only limited exception of some newly-planted walnut orchards in northern Italy.

Consumption

Walnut consumption (mainly in-shell) is traditionally concentrated during the Christmas season, but in the most recent years has expanded through the spring. On the other hand, sales of shelled walnuts, consumed either as snacks or as ingredients for the confectionary industry, have increased sharply in recent years.

Trade

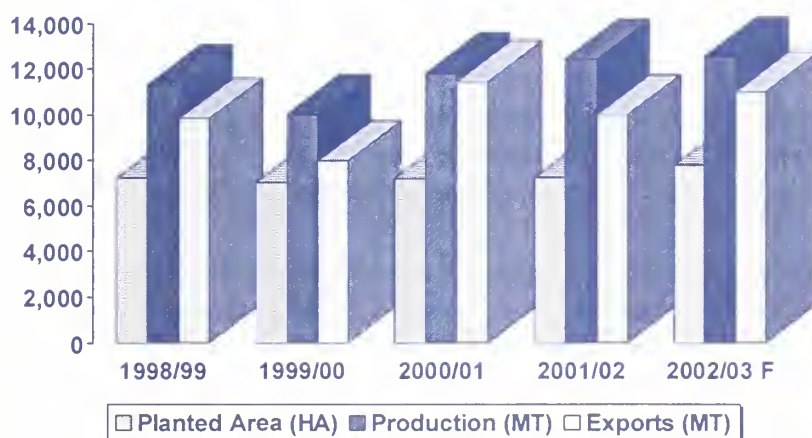
The relatively low domestic crop in 2001/02 favored large imports throughout the year, with an expected final volume of about 18,500 tons, 28 percent more than in the previous year. The major supplier was California (about 75 percent of total in-shell imports in 2001/02), followed by France (17 percent), and other minor suppliers. Total imports, however, are expected to decline marginally in 2002/03, consequent to the good domestic crop, but should remain on the high side, thanks to the excellent consumers' acceptance of California nuts. Imports of shelled walnuts are expanding, in line with increasing consumption; however in 2000/01, the United States was only a marginal supplier, mainly due to the high prices of the California product, combined with the strong U.S. dollar. The weakened U.S. dollar (currently it fluctuates around the parity with the euro) could of course favor California exports of both in-shell and shelled walnuts in 2002/03. The EU customs duty for in-shell walnuts is fixed at 4 percent, while that for shelled walnuts is set at 5.1 percent. The EU export refund for shipments to third countries is currently 66 euro/per ton for in-shell walnuts.

CHILE

Production

Chile's walnut production in 2002/03 is expected to reach 12,500 tons, up slightly from the year before. An expansion in production is expected as most producers will continue replacing aging orchards with improved varieties, increasing grafting of their lowest-yielding trees, and expanding planted areas. Although walnuts are planted from the Third Region (Copiapo) down to the Ninth Region (Temuco), 1,500 kilometers to the south, over 90 percent are planted in the central areas, specifically Region Five (San Felipe-Los Andes), the Metropolitan Region (Santiago) and the Region Six (Rancagua). Industry sources indicate that after many years of a steady decrease in total planted area due to the uprooting of orchards near urban areas for housing and commercial development, newly planted area is now exceeding the area being uprooted. The two main factors for the overall increase in planted area are a continuous deterioration of the profitability of alternative fruit crops, and relatively good prices obtained by walnut producers. As a result, production is expected to increase in six to seven years to over 15,000 metric tons.

Chile: Walnut Planted Area, Export & Production



Source: USDA, Attaché Reports

Consumption

As with most Chilean produce, domestic walnut consumption is a residual of the export market. If international prices are low, exports fall off and domestic consumption increases as the larger supply drives domestic prices down. However, domestic demand does not drive consumption or determine market prices.

Trade

In 2002/03, exports are forecast at 11,000 tons, up 500 tons from the previous year as a result of production changes. Increased exports are expected in the coming years, which will reflect the expansion in production and better quality once improved orchards begin to bear fruit. The industry expects exports to fall slightly in CY 2002 due to economic instability in Argentina, Chile's second largest export market. Chile has a small but slowly-growing import market as a result of increasing demand, mainly coming from the United States, for higher-quality fruit.

The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Chile, China, France, India, Italy and Turkey. For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also please visit the tree nuts web page at: <http://www.fas.usda.gov/http/horticulture/nuts.html> for further information.

Walnuts: Production, Supply and Distribution in Selected Countries

Country Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Metric tons, in-shell basis							
Chile							
1999/2000	341	10,000	170	10,511	7,961	1,650	900
2000/2001	900	11,800	284	12,984	11,445	1,400	139
2001/2002	139	12,400	250	12,789	10,500	1,750	539
2002/2003	539	12,500	250	13,289	11,000	1,850	439
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
China							
1999/2000	0	274,246	2,582	276,828	29,398	247,430	0
2000/2001	0	310,000	409	310,409	24,782	285,627	0
2001/2002	0	279,000	900	279,900	17,000	262,900	0
2002/2003	0	320,000	500	320,500	25,000	295,500	0
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
France							
1999/2000	0	29,045	11,800	40,845	20,500	20,345	0
2000/2001	0	28,660	13,300	38,900	23,000	15,900	0
2001/2002	0	27,810	13,000	40,810	22,000	18,810	0
2002/2003	0	30,000	12,000	42,000	23,000	19,000	0
2003/2004 F	0	30,000	12,000	42,000	23,000	19,000	0
India							
1999/2000	10,500	28,000	0	38,500	12,000	16,500	10,000
2000/2001	10,000	31,000	0	41,000	16,500	17,950	6,550
2001/2002	6,550	29,000	0	35,550	16,000	15,000	4,550
2002/2003	4,550	32,000	0	36,550	17,000	16,000	3,550
2003/2004 F	3,550	30,000	0	33,550	15,000	16,000	2,550
Italy							
1999/2000	1,000	18,000	18,000	37,000	1,800	29,200	6,000
2000/2001	6,000	16,000	12,000	34,000	1,500	29,500	3,000
2001/2002	3,000	13,000	18,500	34,500	1,100	32,400	1,000
2002/2003	1,000	15,000	17,000	33,000	1,000	31,000	1,000
2003/2004 F	1,000	13,000	19,000	33,000	1,000	31,000	1,000
Turkey							
1999/2000	7,000	70,000	5,000	82,000	500	72,500	9,000
2000/2001	9,000	69,000	8,000	86,000	500	75,500	10,000
2001/2002	10,000	68,000	6,000	84,000	500	74,500	9,000
2002/2003	9,000	68,000	6,000	83,000	500	74,500	8,000
2003/2004 F	8,000	69,000	6,000	83,000	500	74,500	8,000
United States 2/ 3/							
1999/2000	63,965	256,734	100	320,799	98,105	155,765	66,929
2000/2001	66,929	216,817	235	283,981	97,035	129,693	57,253
2001/2002	57,253	276,696	150	334,099	87,225	164,724	82,150
2002/2003	82,150	249,480	150	331,780	104,595	149,885	77,300
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	82,806	686,025	37,652	806,483	170,264	543,390	92,829
2000/2001	92,829	680,217	34,228	807,274	174,762	555,570	76,942
2001/2002	76,942	705,906	38,800	821,648	154,325	570,084	97,239
2002/2003	97,239	726,980	35,900	860,119	182,095	587,735	90,289
2003/2004 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing year: Chile – March-February; United States Aug.-July; Italy & Turkey – Sept.-Aug.; China, France & India – Oct.-Sept.

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché Reports, Bureau of Census and USDA/NASS

U.S. Exports of Walnuts to the World

Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Rank in 2001/02
metric tons: shelled, in-shell & processed total						
Spain	15,794	14,112	15,297	15,143	14,882	1
Japan	7,979	7,157	9,262	12,703	13,423	2
Germany	9,397	7,909	8,981	12,492	10,717	3
Italy	6,237	7,172	6,757	7,297	9,114	4
Canada	4,148	3,984	4,834	5,361	5,711	5
Israel	3,439	2,629	3,045	3,174	4,022	6
Netherlands	5,068	3,357	1,259	3,277	3,691	7
Mexico	3,568	7,210	2,590	2,422	2,036	8
Australia	2,129	1,749	1,582	1,398	1,886	9
Belgium-Luxembourg	397	3,148	597	630	1,649	10
United Kingdom	2,328	1,822	883	1,439	1,354	11
Korea; Republic of	1,568	272	632	1,306	1,327	12
Venezuela	1,062	565	699	1,092	978	13
Hong Kong	196	127	671	68	738	14
Norway	523	341	255	502	662	15
Taiwan	1,062	1,111	1,021	1,094	628	16
Egypt	730	136	498	382	463	17
Sweden	338	345	84	386	446	18
Brazil	1,248	1,740	1,070	889	394	19
France	241	155	345	135	316	20
Chile	0	0	0	202	308	21
Argentina	209	237	287	138	267	22
Switzerland	272	348	34	74	254	23
Ecuador	149	181	96	108	223	24
Saudi Arabia	1	1	48	26	151	25
Philippines	20	49	90	156	128	26
Malta & Gozo	207	93	60	132	126	27
Greece	159	73	113	72	105	28
Vietnam	0	0	72	40	100	29
China; Peoples Republic of	0	0	152	0	89	30
Panama	22	190	73	65	71	31
Singapore	163	54	65	37	71	32
Iceland	0	13	0	0	58	33
New Zealand	98	64	55	48	53	34
Austria	846	400	137	29	52	35
United Arab Emirates	0	70	0	27	50	36
Denmark	232	114	0	90	48	37
Portugal	163	276	197	98	39	38
Other Countries	276	249	1,123	463	272	
Grand Total (MT)	70,269	67,458	62,967	72,994	76,902	

1/ Marketing years, Aug.-July

Note: All data from Department of Commerce - Bureau of the Census

U.S. Imports of Walnuts from the World

Destinatio	1997/9	1998/9	1999/0	2000/0	2001/0	Rank in
metric tons: shelled, in-shell &						
Moldova;	0	35	15	40	41	1
Turke	0	0	2	7	40	2
China; Peoples	45	15	48	139	18	3
Kyrgyzstan;	0	0	0	0	9	4
Mexic	7	0	0	0	4	5
Ukrain	8	3	0	0	3	6
Uzbekistan;	0	0	0	0	2	7
Iran	0	0	0	0	0	8
Australi	0	2	0	0	0	9
Belgium-	0	0	0	0	0	10
Bulgari	3	0	0	0	0	11
Denmar	0	0	0	0	0	12
Franc	0	0	0	0	0	13
German	0	15	17	90	0	14
Greec	0	0	0	10	0	15
Hong	1	0	0	1	0	16
Indi	84	0	0	228	0	17
Korea;	0	0	0	1	0	18
Pakista	4	0	0	0	0	19
United	0	0	0	0	0	20
Grand Total in	151	71	82	514	117	

1/ Marketing years, Aug.-July

Note: All data from Department of Commerce - Bureau of

U.S. total fresh market grape production in 2002 is expected to increase about 8 percent from last year to approximately 850,000 metric tons compared to 784,000 tons during 2001. Total California fresh market grape production is expected to be about 700,000 tons. Total production during the 2002 season for selected Northern Hemisphere table grape producing countries is expected to increase about 5 percent.

United States

Through August of this year, U.S. grape imports have increased 24 percent in volume compared to the same period a year ago. More product coming from Chile, Mexico, and South Africa accounts for most of the increase.

U.S. Table grape exports during the first eight months of 2002 are about even with the amount exported through the same time a year ago. Weaker markets in Asia, including Hong Kong and the Philippines, more than offset increases to the United Kingdom and Canada. Our largest market for grapes continues to be Canada with the United Kingdom ranking fifth. The

US Trade Balance in Fresh Table Grapes



*January - August

Source: U.S. Department of Commerce, Bureau of the Census

height of the U.S. shipping season has not yet been captured in the data represented in the graph. In 2001, the United States ranked second behind Italy in export market share. The United States holds about 20 percent of the world export market. However, we are the top import market taking in about 22 percent of all imported grapes.

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel table grape exports. During MY 2002, the USDA/FAS and the California Table Grape Commission will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom.

New Zealand

New Zealand imports of Californian table grapes have resumed after a suspension of trade in November 2001 when black widow and other exotic spiders were found in U.S. shipments at New Zealand supermarkets. A revised Import Health Standard (IHS) was completed in early September. Under the new IHS, biosecurity procedures require a 100-percent visual inspection of grapes during harvest in the United States to ensure that grapes are free of any regulated pests such as spiders and glassy wing sharp shooters. The first consignments since the new IHS was issued arrived in New Zealand on October 12. For more information please refer to GAIN Report [#NZ2032](#).

Canada

Canada's imports of table grapes from the United States are up 9 percent through August of this year. Last year, the United States supplied about 62 percent of the total grapes imported into Canada, Chile supplied about 24 percent, and Mexico only about 9 percent. The remaining 5 percent was shipped from Italy, South Africa, and Argentina. In recent years, Peru has begun to ship grapes to Canada, shipping about 350 tons in 2001, nearly seven times the amount shipped during 2000.

Mexico

Mexico's grape production this year is expected to be up 6 percent from last year. Despite larger production levels and lower prices, better quality grapes from the United States may push total grape volume imported from the United States up about 6 percent from a year ago. On the down side, if the value of the Mexican peso continues to fall against the dollar, near term Mexican imports of grapes could be hindered.

Chile is expected to supply about 40 percent of Mexico's total imported grapes, while the United States is expected to supply the remainder. Chilean shipments do not compete directly with those from the United States; Chile typically exports to Mexico in June and July, while the United States exports primarily during August through December.

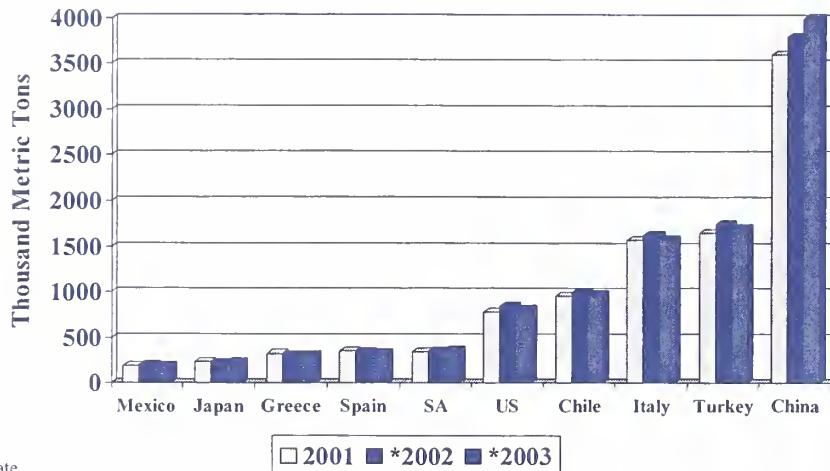
Chile

Table grape production is expected to increase 4 percent in 2002 to 997,000 tons, mainly due to the abnormally favorable weather in the northern growing areas. Next year's production is forecast to be down about 2 percent with potential for El Nino related weather patterns bringing more rain to the region. Exports this calendar year are expected to be up 9 percent from the previous year in part due to strong increases for Chilean product in China. The United States continues to be Chile's largest market. The recent Free Trade Agreement with the EU will provide Chile with a duty-free quota of 37,000 tons beginning in January 2003. Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier are the bulk of production. Production of the Red Globe variety has increased significantly in the last few years, as most replanting has been with this variety. Chile ranks third, after the United States, in terms of market share and held 19 percent in 2001.

China

World Fresh Table Grape Production

(Select Countries)



* Estimate

domestic consumption. Table and wine grapes are more frequently being grown inside Chinese-style greenhouses throughout much of central and eastern China. This successful innovation is likely to change the grape industry in China as the greenhouses reduce pests, mitigate weather damage, and result in an earlier harvest and delivery to retail stores ahead of normal production schedules. Imports of grapes from the United States in 2001 declined from 27,000 tons to 22,000 tons, while imports from Chile increased from 25,000 to 27,000 tons. China's largest export market in 2002 was Russia, with 425 tons shipped; double the amount tons shipped just 2 years before. China is also shipping more grapes to countries such as Singapore, India and the United States. However, China continues to be very much a net importer of table grapes.

Greece

Greek production of table grapes this year posted a 6-percent decline, as heavy rainstorms in early August adversely affected the quantity and quality. Exports declined as a result of the lower production with less going to their top markets such as the United Kingdom, Germany, and the Netherlands. Production levels next year are expected to be up slightly. Grapes imported into Greece are minimal and occur either during the off-season or to fill demand of grape varieties not typically grown in country. Most imported product comes from Argentina and Chile. For detailed information on EU subsidies for the grape industry in Greece please refer to GAIN Report [#GR2016](#).

China's production in CY 2002 is expected to be 3.8 million tons, up about 6 percent from the previous year's lowered estimate. Production next year could reach 4 million tons. The five largest grape producing provinces are Xinjiang, Hebei, Shandong, Liaoning, and Henan. As distribution and cold storage improves, it is expected that more domestic green seedless grapes will be available for

Italy

During 2002, Italy's table grape output is expected to be about 1.58 million tons, down from the previous year due to a drought that affected both quantity and quality. Italy is a major net exporter of grapes and shipped approximately 667,000 tons during 2001, valued at approximately \$535 million. Italy is the top world exporter and holds about 30 percent of world export trade. Top destination countries include Germany, France, Poland, Belgium, and Switzerland. During the off-season, Italy imported about 12,000 tons from foreign sources. Chile supplies about one fourth of the import market, shipping about 3,000 tons during 2001.

Spain

Spain's table grape production is expected to post another year of decline due to unusually heavy rain in the spring. Spain has been importing more grapes the last few years mainly from Italy, Chile, and South Africa. In 2001, the Spanish imported a total of 25,000 tons, up about 25 percent from the previous year.

Table grapes are exported mainly to Germany, Portugal, the United Kingdom, and France. The top market, Germany, bought 25,000 tons of grapes from Spain at a value of \$21 million in 2001. The United Kingdom imported about 22,000 tons but at a much higher value totaling \$23 million. Spain's long-growing season runs concurrent with that of the United States and brings about strong competition for market share.

Turkey

Turkey's grape acreage has been decreasing in recent years, although table grape production saw a slight increase during 2002 due to very favorable weather conditions. Next year's production is expected to show at least a 3-percent decline. About 45 percent of total Turkish grape production is consumed as fresh market table grapes. Turkey exported 79,000 tons of fresh grapes onto the world market during 2001. Russia imported about 35 percent of this while Germany imported 23 percent.

Table Grape Export Market Share 2001

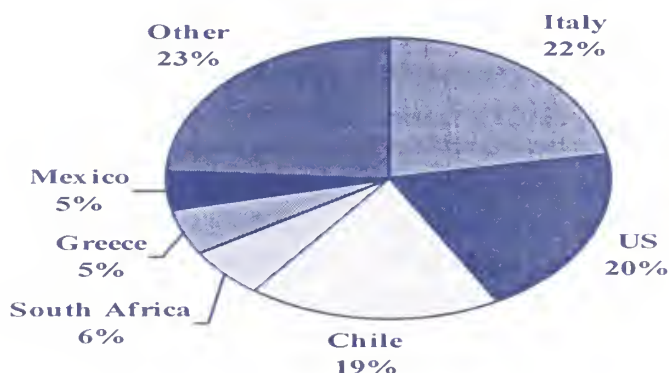


TABLE GRAPES: PRODUCTION, SUPPLY, AND DISTRIBUTION

Country/ Year 1/2/	Production 2/	Imports 3/	Total Supply	Exports Fresh Only	Domestic Fresh Consumption	For Processing	Withdrawal from Market
NORTHERN HEMISPHERE							
Greece							
2001	328,412	1,500	329,912	117,000	167,912	45,000	0
2002	310,000	7,957	317,957	115,000	162,957	40,000	0
2003	314,000	3,000	317,000	115,000	152,000	50,000	0
Italy							
2001	1,628,000	12,000	1,640,000	667,000	693,000	280,000	0
2002	1,580,000	12,000	1,592,000	650,000	672,000	270,000	0
2003	1,600,000	12,000	1,612,000	665,000	677,000	270,000	0
Japan							
2001	225,400	11,510	236,910	36	209,574	27,300	0
2002	235,200	13,000	248,200	30	219,670	28,500	0
2003	235,800	17,324	253,124	24	224,600	28,500	0
China: Peoples Republic of							
2001	3,600,000	48,587	3,648,587	667	3,015,720	632,200	0
2002	3,800,000	55,000	3,855,000	660	3,054,340	800,000	0
2003	4,000,000	57,000	4,057,000	660	3,056,340	1,000,000	0
Mexico							
2001	188,175	75,060	263,235	97,739	165,496	0	0
2002	200,200	83,000	283,200	124,000	159,200	0	0
2003	189,800	87,000	276,800	110,000	166,800	0	0
Spain							
2001	351,000	19,700	370,700	113,400	235,800	19,000	2,500
2002	342,400	24,800	367,200	96,400	242,800	20,000	8,000
2003	332,000	28,000	360,000	90,000	242,000	20,000	8,000
Turkey							
2001	1,650,000	120	1,650,120	79,294	1,490,826	80,000	0
2002	1,750,000	100	1,750,100	80,000	1,585,100	85,000	0
2003	1,700,000	100	1,700,100	80,000	1,535,100	85,000	0
United States							
2001	784,184	408,937	1,193,121	298,666	894,455	0	0
2002	850,000	490,000	1,340,000	268,800	1,071,200	0	0
2003	810,000	475,000	1,285,000	280,000	1,005,000	0	0
Subtotal							
2001	8,755,171	577,414	9,332,585	1,373,802	6,872,783	1,083,500	2,500
2002	9,067,800	685,857	9,753,657	1,334,890	7,167,267	1,243,500	8,000
2003	9,181,600	679,424	9,861,024	1,340,684	7,058,840	1,453,500	8,000

Country/ Year 1/2/	Production 2/	Import 3/	Total Supply	Exports Fresh Only	Domestic Fresh Consumption	For Processing	Withdrawal from Market
SOUTHERN HEMISPHERE							
Chile							
2001	955,000	12	955,012	545,000	100,000	310,012	0
2002	997,000	15	997,012	595,000	99,000	303,012	0
2003	975,000	12	975,012	596,000	99,000	280,012	0
South Africa; Republic of							
2001	346,060	0	346,060	181,834	24,555	139,671	0
2002	350,000	0	350,000	185,000	25,000	140,000	0
2003	370,000	0	370,000	190,000	28,000	152,000	0
Subtotal							
2001	1,301,060	12	1,301,072	726,834	124,555	449,683	0
2002	1,347,000	15	1,347,012	780,000	124,000	443,012	0
2003	1,345,000	12	1,345,012	786,000	127,000	432,012	0
Total Selected Countries							
2001	10,056,231	577,426	10,633,657	2,100,636	6,997,338	1,533,183	2,500
2002	10,414,800	685,872	11,100,669	2,114,890	7,291,267	1,686,512	8,000
2003	10,526,600	679,436	11,206,036	2,126,684	7,185,840	1,885,512	8,000

1/ 2002 = Estimate, 2003 = Forecast

2/ Calendar year for all countries.

3/ U.S. production data represent fresh market utilization.

4/ U.S. exports and imports are from the Bureau of the Census with forecasts by the USDA/Foreign Agricultural Service.

SOURCES: FAS Agricultural Attaché Reports, Bureau of the Census, NASS/USDA.

Asparagus Production and Trade in Selected Countries

Fresh asparagus production in 2001/02 in 9 selected countries is estimated at 499,651 tons, up 4 percent from the previous year. Peru, the world's largest producer accounted for 39 percent of the total, followed by the United States, Mexico, Spain, Germany, Greece, and Japan. During the same period, asparagus exports from these selected countries are estimated at 153,090 tons, up 12 percent from the year earlier. During the first 8 months of 2002, U.S. exports of fresh-market asparagus totaled 12,224 tons valued at \$35 million, down 9 percent in volume and 6 percent in value, from the same time last year. Despite the decline in overall U.S. exports, shipments to Canada and Switzerland were up 6 and 40 percent, respectively, from the previous year. Reduced international prices and oversupply, caused mainly by increased competition, especially from China, are expected to force U.S. producers to cut costs and improve efficiencies in an effort to compete internationally.

United States

In 2001/02, the United States remained the world's second largest producer of fresh asparagus, after Peru. During this period, U.S. production of fresh asparagus is estimated at 65,771 tons, up slightly from the previous year. The states of California, Washington, and Michigan continue to account for over 95 percent of the fresh-market output in the United States, with the peak harvest occurring in the spring. During the first 8 months of 2002, U.S. exports of fresh green asparagus totaled 12,224 tons valued at \$35 million, down 9 percent in volume and 6 percent in value from the same period in 2001. This decline marks the second drop in exports in as many years, due mostly to a 30-percent reduction in export sales to Japan, a sluggish Asian economy, and competition from other key world suppliers.

Mexico

Asparagus production in Mexico in 2001/02 is forecast at 65,000 tons, up 1 percent from the previous year, due to good weather conditions and more efficient irrigation systems. More than 95 percent of the area devoted to asparagus production in Mexico uses pressurized irrigation systems. Sonora, the main producing state, and Baja California, account for the bulk of total production. Asparagus harvesting in these regions begins in late December and continues through early April. A second, but smaller crop is harvested from late June through September in Guanajuato. Green asparagus remains the predominant variety grown in Mexico.

Fresh asparagus exports from Mexico in 2001/02 are estimated at 55,000 tons, up 36 percent from the revised level in the previous year, due to increased international demand and a larger harvest. The United States and Japan remain Mexico's most important export markets. Reportedly, third-country competition has forced Mexican exporters to stagger shipping their product at the same time as the Peruvian and Californian producers to avoid market saturation. Mexican exporters are optimistic that international demand will improve while they continue to search for alternative markets. Memories of low asparagus prices in prior years, resulting from market saturation, still remain a top concern for Mexican producers and exporters. Sources confirm that Japanese consumers readily accept Mexican asparagus and continue to demand

high-quality Mexican product. Mexican producers and exporters hope to develop a new niche market in the European Union.

Peru

Asparagus is Peru's second most important agricultural export after coffee, accounting for about 25 percent of total agricultural exports. Asparagus producers are concerned that international demand for asparagus has reached maturation, and that growth in the near term will not be as sharp as it was in the 1990's. Peru produces asparagus for two different markets; green asparagus for the United States, and white asparagus for the European market. Green asparagus, accounting for about 40 percent of total output, is packed and exported in 5-kilogram boxes, while white asparagus is processed and exported in cans or jars.

Processed asparagus exports in 2002 are estimated at about 51,360 tons, up 6 percent from last year. During the same period, Peru's fresh asparagus exports totaled 42,000 tons, unchanged from the previous year. Peru's most important processed asparagus buyers are Spain, the Netherlands, France, Germany and Denmark. The United States continues to be Peru's best customer for fresh asparagus, accounting for over 80 percent of the total exports in 2001. Peruvian asparagus producers continue to worry about oversupply, weakened world demand, and falling prices. In addition, they continue to be concerned about competition from low-price Chinese asparagus, especially in the EU. Ninety percent of Peruvian agricultural exports, including asparagus, enter the EU duty free. Despite the 16-percent import duty assessed on Chinese asparagus, it still enters the EU cheaper than Peruvian product.

Greece

Production of fresh asparagus in Greece in 2001/02 is estimated at 31,000 tons, up 3 percent from the previous year. Greece produces both white and green asparagus, which are harvested from early February to mid-May and marketed earlier than product grown elsewhere in Europe. In Greece, the production cycle for asparagus runs about 12 years before replanting. Harvesting asparagus in Greece is labor intensive, with migrant worker costs running about U.S.\$18.00 per day. All other field practices are mechanized. Domestic consumption of asparagus in Greece is limited, fluctuating between 6 and 7 percent of the annual output.

Over 70 percent of Greek asparagus production is exported to Germany, with smaller amounts going to France, Spain, and the Netherlands. Spain also buys second quality product, mainly for canning. Greece's main competitors in the European markets are France, Spain, and the Netherlands.

United Kingdom

Asparagus production in the United Kingdom (UK) in 2001/02 is estimated at 1,980 tons, up 27 percent from the year earlier. The principle growing areas are Scotland, Norfolk, Suffolk, Cambridgeshire, Lincolnshire, Cornwall, and Kent. In recent years, UK consumers have moved away from the traditional bundles of non-trimmed spears to trimmed spears and tips, both in bundles and pre-packs. Pre-packs of baby varieties are supplied predominantly by Peru,

Thailand and Chile. Fresh asparagus imports into the UK in 2001/02 totaled 4,400 tons, down 10 percent from the previous year. UK's exports of fresh asparagus are small, generally less than 100 tons.

Spain

Production of asparagus in Spain in 2001/02 totaled 63,200 tons, up slightly from the previous year. Asparagus harvesting in Spain begins in mid-January for the extra-early varieties in Andalucia, and ends in August in the northern regions.

Consumption of asparagus in Spain increased substantially during the early 1990s, but has stabilized over the past few years. Fresh consumption in 2001/02 totaled 34,000 tons, unchanged from the previous year. Most Spanish consumers prefer fresh green asparagus for daily cooking and canned white asparagus for special occasions and for salads. In MY 2001/02, Spanish exports of fresh asparagus are estimated at 20,550 tons, up slightly from the previous year. Other EU countries are the primary markets for fresh green asparagus exports from Spain. Imports of fresh asparagus into Spain remain small, taking place mostly during the off-season months between October and January. Peru, Greece, and Morocco are the primary suppliers of fresh asparagus to Spain.

Japan

Production of fresh asparagus in Japan in 2001/02 totaled 31,500 tons, up 10 percent from the previous year, due mainly to warmer temperatures in early spring and newly planted high-yielding varieties (shift from Washington to a new variety called Welcome) that boosted this year's crop output. Japan produces asparagus from February through November, with the peak season in April through June. Hokkaido, Nagano and Nagasaki prefectures are the major regions for asparagus production. Japanese producer co-ops have been encouraging farmers to switch their production, especially from rice, to more profitable crops such as asparagus and leaf vegetables.

Japanese consumption of fresh asparagus in recent years has been fairly stable at around 50,000 tons annually. Fresh asparagus is marketed year-round in Japan with a number of foreign suppliers participating in the market. Mexican asparagus dominates the market from January to March; U.S. volume peaks from March through May; while volumes of domestic asparagus are heaviest in May and June. Asparagus from Australia is available in the fall and winter, while the Philippines ships asparagus to Japan almost year-round.

Japan's imports of U.S. asparagus from January to April 2002 totaled almost 2,100 tons, up 18 percent from the previous year. During the same period, Japanese imports of Mexican asparagus declined to 2,200 tons, down 44 percent from the year earlier. Japan's bumper crop and a weakened Japanese yen were the primary reasons for these declines.

Switzerland

In 2001/02, production of asparagus in Switzerland continues to be estimated at 200 tons, unchanged from the previous year. This output accounts for about 2 percent of domestic consumption. Switzerland is a very good market for U.S. fresh asparagus because of the Swiss preference for large-stalked asparagus. U.S. exports of fresh green asparagus to Switzerland from January to August 2002 totaled 1,011 tons, up dramatically from 720 tons shipped during the same time in 2001. The decline in 2001 was due to a strong U.S. dollar, stiff competition from EU producers, and a tariff-rate quota system. Under the latter system, imports from May 1 to June 15, the U.S. primary export season to Switzerland, are subject to a maximum duty of SF 734 (US\$440) per 100 kilograms. In 2002, Swiss imports of fresh green asparagus are estimated at 5,500 tons.

Germany

Germany is a major producer and consumer of fresh asparagus. Production of fresh asparagus in 2001/02 is estimated at 46,000 tons, up 2 percent from the previous year. German imports of fresh asparagus during this same period are estimated at 39,000 tons, up 8 percent from the previous year. Greece continues to be Germany's primary supplier of fresh asparagus. U.S. exports of fresh green asparagus to Germany remain small, with only marginal potential for growth due to strong competition from other EU suppliers.

(The FAS Attache Report search engine contains reports on the Asparagus industries for Mexico, Peru, United Kingdom, and Japan. For information on production and trade, contact Emanuel McNeil at 202-720-2083. For information on marketing contact Elizabeth Mello at 202-720-9903.)

Table 1: Fresh Asparagus Production, Supply, and Distribution in Selected Countries, Metric Tons

Country/ Year	Production	Imports	Total Supply	Exports	Domestic Consumption	For Processing
Germany						
1999/2000	44,000	30,964	74,964	500	74,464	0
2000/2001	45,000	36,003	81,003	500	80,503	0
2001/2002	46,000	39,000	85,000	500	84,500	0
Greece						
1999/2000	29,666	50	29,716	15,902	2,200	11,614
2000/2001	30,000	50	30,050	19,327	2,100	8,623
2001/2002	31,000	50	31,050	22,000	2,200	6,850
Japan						
1999/2000	26,701	24,766	51,467	0	50,197	1,270
2000/2001	28,700	22,054	50,754	0	49,474	1,280
2001/2002	31,500	20,000	51,500	0	50,000	1,500

Mexico						
1999/2000	50,425	523	50,948	43,856	7,092	0
2000/2001	64,348	452	64,800	40,521	24,279	0
2001/2002	65,000	400	65,400	55,000	10,400	0
Peru						
1999/2000	190,000	0	190,000	35,000	6,000	149,000
2000/2001	184,000	0	184,000	42,000	6,000	136,000
2001/2002	195,000	0	195,000	42,000	6,000	147,000
Spain						
1999/2000	63,500	3,676	67,176	19,189	35,987	12,000
2000/2001	63,000	3,500	66,500	20,500	34,000	12,000
2001/2002	63,200	3,550	66,750	20,550	34,000	12,200
Switzerland						
1999/2000	200	5,600	5,800	0	5,800	0
2000/2001	200	5,550	5,750	0	5,750	0
2001/2002	200	5,600	5,800	0	5,800	0
United Kingdom						
1999/2000	1,791	3,977	5,768	32	5,736	0
2000/2001	1,555	4,913	6,468	36	6,432	0
2001/2002	1,980	4,400	6,380	40	6,340	0
United States						
1999/2000	68,220	72,293	140,513	17,978	87,695	34,840
2000/2001	62,505	71,140	133,645	14,334	87,301	32,010
2001/2002	65,771	71,000	136,771	13,000	89,000	34,771
Total						
1999/2000	474,503	141,849	616,352	132,457	275,171	208,724
2000/2001	479,308	143,662	622,970	137,218	295,839	189,913
2001/2002	499,651	144,000	643,651	153,090	288,240	202,321

Source: U.S. Attaché Reports, NASS/USDA, and Eurostat.

Apple Situation in Selected Northern Hemisphere Countries

Apple production in selected countries of the Northern Hemisphere in 2002/03 is forecast to decrease for the second consecutive season. At 40.9 million tons, the 2002/03 Northern Hemisphere apple production forecast is 4 percent below the 2001/02 crop. The decrease mainly reflects reduced production in China and the United States, the leading world apple producers, as planted area in both countries continues to decline. In China, apple-bearing acreage is decreasing as growers replace old apple trees with newly-introduced varieties. Overproduction, stagnant domestic demand, and increased imports of lowered-price apple juice from China have put downward pressure on U.S. apple prices and have created difficult economic challenges to the national industry. This situation has contributed to the reduction in apple acreage in the United States. This trend is expected to continue.

The United States

U.S. Apple Production Expected to Decline for the Third Consecutive Season

U.S. apple production in 2002/03 is forecast to decrease for the third consecutive season to 4.1 million tons, the smallest volume since 1988/89. Smaller apple crops are anticipated in most major U.S. producing states, including in New York (down 35 percent), Michigan (down more than 40 percent), and California (down 15 percent), due to unfavorable weather during the spring and to a reduction on bearing acreage. Apple production in Washington, on the other hand, is forecast at 2.4 million tons, up 6 percent from last season. Although apple acreage in Washington has been reduced as well, favorable weather during the spring is expected to boost the volume of the state's apple crop in 2002/03.

The 2002/03 U.S. apple production forecast reflects in part the difficult economic challenges the domestic apple industry has faced. Overproduction, stagnant domestic demand, and increased imports of lowered-price apple juice from China have put downward pressure on U.S. apple prices and, as such, have contributed to the reduction on apple acreage. In 2001/02, U. S. total apple bearing acreage is estimated at 430,000 acres, compared to about 470,000 acres in 1998/99, just 4 seasons ago. The state with the most significant decrease, Michigan, has slashed apple acreage by nearly 20 percent since 1998/99. The Michigan apple industry, as well as that in most U.S. states, is facing difficult economic challenges. Last year alone, two of Michigan's largest fruit companies filed for bankruptcy.

Ending a 40-Year Absence, U.S. Apples Arrived in Cuba

On July 11, a shipment of 20 tons of Washington state apples, valued at approximately \$15,000, arrived in Cuba. The inaugural shipment, the first cargo of U.S. apples since 1960, followed on the heels of an agreement between the U.S. Animal and Plant Health Inspection Service, APHIS,

United States Exports of Fresh and Chilled Asparagus 1/

Destinations	1997	1998	1999	2000	2001	Jan-Aug	Jan-Aug
						2001	2002
						Metric tons	
Canada	6,331	6,578	6,946	7,493	6,946	6,190	6,571
Japan	6,478	5,179	7,108	7,452	5,482	5,480	3,856
Switzerland	1,423	2,549	2,111	1,582	720	720	1,011
Taiwan	11	3	18	527	333	333	178
United Kingdom	341	506	653	139	95	95	83
Mexico	40	104	11	448	376	286	240
Other	641	675	418	337	382	352	285
Grand Total	15,265	15,594	17,265	17,978	14,334	13,456	12,224

Source: U.S. Department of Commerce, Bureau of the Census. 1/ Calendar years.

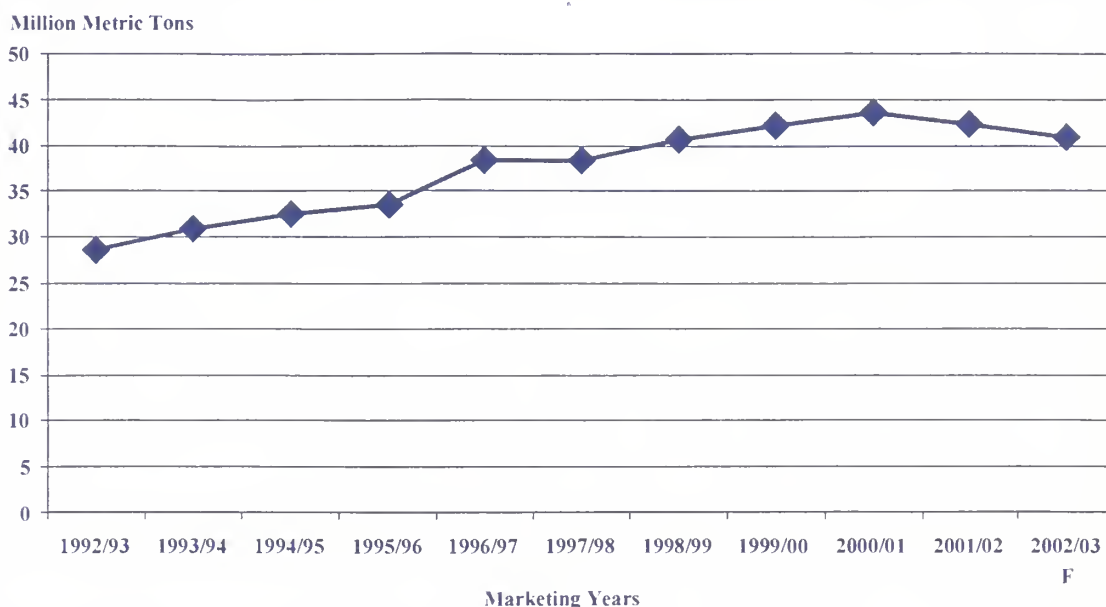
United States Imports of Fresh and Chilled Asparagus 1/

Origins	1997	1998	1999	2000	2001	Jan-Aug	Jan-Aug
						2001	2002
						Metric tons	
Mexico	21,166	29,907	36,719	38,134	33,947	29,396	31,916
Peru	12,707	14,152	22,225	29,874	33,539	10,537	13,332
Chile	2,817	2,521	3,190	2,479	1,606	23	25
Colombia	1,940	1,768	1,311	1,062	1,042	642	498
Guatemala	475	439	347	321	323	319	243
Argentina	761	844	631	235	179	0	0
Other	342	194	116	188	504	399	193
Grand Total	40,208	49,825	64,539	72,293	71,140	41,316	46,207

Source: U.S. Department of Commerce, Bureau of the Census. 1/ Calendar years.

and Cuba's Centro Nacional Sanidad Vegetal (CNSV). The accord established the phytosanitary requirements for the exportation of apples from Washington and New York. Originally, Cuba's government-operated Empresa Cubana Importadora Alimentos (Alimport) was expected to contract for 1,000 tons of U.S. apples, but high prices reportedly prevented this from occurring.

Apple Production in Selected Northern Hemisphere Countries Forecast to Decrease Again in 2002/03



Source: NASS and Reports from the U.S. Ag Attachés

China

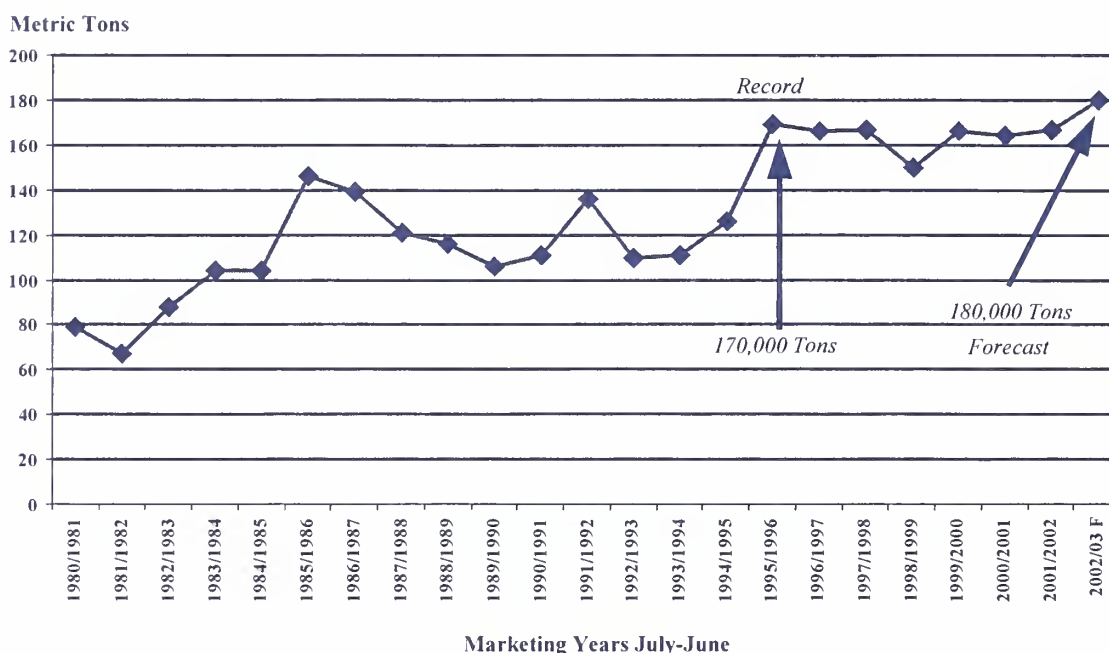
Although Slowly, Apple Exports from China Continue to Expand

Apple exports from China in 2002/03 are forecast to continue to increase and reach 400,000 tons. In recent years, China's exports of fresh apples have increased dramatically. For example, China's apple shipments in 2001/02, at 360,052 tons, are 28 percent more than shipments in 2000/01. Southeast Asia and Russia continue to be the largest export market for China's apples. Since the cost of production in China is relatively low, Chinese apple prices are likely to be more attractive in most world markets. It is estimated that China's average apple prices are about 40 percent lower than the world average price. The low price of China's fruits is not expected to change dramatically in the near future.

But China's efforts to market fruit in overseas markets have met a great deal of difficulty. Reportedly, the inability to form grower cooperatives beyond the county level, the lack of organized market promotion programs, and phytosanitary related issues are the major obstacles

China's apple exports face. The problem regarding the creation of organize cooperatives at the state level may soon be resolved. It has been reported that China's Ministry of Agriculture introduced this year a legislative proposal that would allow for the creation of larger-scale grower cooperatives. The aim of such cooperatives would be to find export markets and conduct promotional campaigns for China's agricultural products. But even if large-scale cooperatives become a reality, obtaining funds for promotional purposes will remain a problem in China. Industry representatives are still not certain how that problem will be addressed.

U.S. Apple Imports Also Likely to Increased in MY 2002/03



Source: U.S. Bureau of the Census

Mexico

Mexico Allows U.S. Apples from Michigan and Virginia

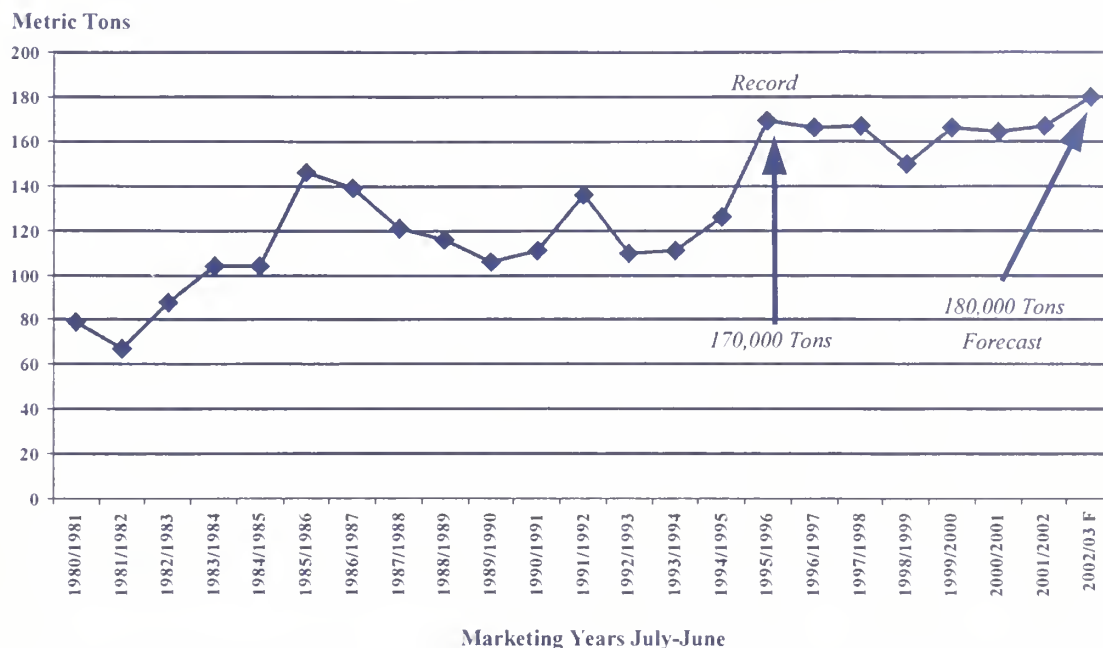
In April, Virginia and Michigan reached an agreement to participate in the U.S./Mexico apple export program. While apples from Virginia and Michigan were technically allowed access to Mexico under the existing work plan for U.S. apples, both industries needed to negotiate with the Mexican Plant Health office (DGSV) the financial agreement to have Mexican inspectors overseeing the exporting activities. In September, Mexico's DGSV sent an inspector to start the Michigan apple export program. The Mexican inspector is overseeing the activities of the program, which includes observing the fruit treatment and verification of shipments. This is the first season that the Michigan industry is going to export apples to Mexico.

Mexico requires an on-sight inspection program for U.S. apples. In the past, Washington, Oregon, and Idaho participated in the oversight export program. Now, APHIS is responsible for managing and supervising the export program for these 3 states.

U.S.-Mexico Periodic Disagreements on Apple Trade Hamper U.S. Apple Sales in Mexico

Mexico is now the top destination for U.S. apple exports. Nearly 5 percent of the volume of the U.S. apple crop is exported to Mexico. However, problems and disputes have plagued apple trade between the United States and Mexico for many years (e.g., onerous oversight inspection program, antidumping case). In August 2002, Mexico's Secretariat of Economy (SE) announced its decision to cancel the 1998 U.S./Mexico apple dumping suspension agreement. With this action, SE resumed the antidumping investigation that started in 1997 on imports of U.S. Red and Golden delicious apples. In September, SE established a final antidumping duty of nearly 47 percent. The reestablishment of the antidumping duty is expected to severely disrupt U.S. apple shipments to this vitally important market.

U.S. Apple Imports Also Likely to Increased in MY 2002/03



Source: U.S. Bureau of the Census

Japan

WTO Dispute Settlement Panel Reviewing Japan's Import Restrictions on U.S. Apples

In May 2002, the United States formally requested the WTO's Dispute Settlement Body to establish a panel to consider Japan's fire blight import restrictions on U.S. apples. Under the

WTO dispute settlement process, the United States requested the formation of a panel to review evidence and, ultimately, issue a final report on the consistency of Japan's restrictions with its WTO obligations.

The first substantive meetings of the WTO dispute settlement panel were held in October in Geneva. At the meetings, the United States asserted that there is no scientific evidence that mature apples transmit the fire blight disease, and that Japan has failed to assess the associated risk (i.e., presence, transmission, establishment, spread) in a manner that would justify the maintenance of their current measures. The next panel meeting in Geneva is scheduled to take place in January 2003.

The United States has been seeking modifications to the U.S./Japan apple export program relative to fire blight since 1994. Joint U.S./Japanese scientific research demonstrated that mature, symptomless apples are not carriers of fire blight. Japan insists on a restrictive and costly work plan for fire blight that is hampering U.S. apple sales to this country. In MY 2001/02, U.S. apple exports to Japan totaled just 115 tons, valued at close to \$80,000. These figures contrast with the 10,450 tons, valued at nearly \$11 million, sold to Japan when the market first opened in MY 1994/95.

(For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Steve Shnitzler at 202-720-8495. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our apple web page at: <http://www.fas.usda.gov/http/horticulture/apples/html>)

APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED (METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
NORTHERN HEMISPHERE COUNTRIES							
SELECTED EUROPEAN UNION (EU) COUNTRIES							
Belgium-Luxembourg							
1999/00	562,385	215,408	777,793	432,476	199,386	140,000	5,931
2000/01	511,640	229,941	741,581	354,285	206,551	140,000	40,745
2001/02	343,564	235,000	578,564	331,500	184,478	62,500	86
2002/03 F	313,960	250,000	563,960	320,000	183,860	60,000	100
France							
1999/00	2,165,800	80,300	2,246,100	795,500	990,600	310,000	150,000
2000/01	2,300,000	95,000	2,395,000	863,000	1,141,900	310,000	80,100
2001/02	2,055,000	105,000	2,160,000	750,000	1,045,000	310,000	55,000
2002/03 F	2,140,000	100,000	2,240,000	800,000	1,050,000	310,000	80,000
Germany							
1999/00	1,936,000	787,692	2,723,692	67,954	1,815,149	838,000	2,589
2000/01	2,630,802	642,038	3,272,840	72,720	2,080,571	1,108,000	11,549
2001/02	1,522,433	680,604	2,203,037	66,555	1,599,892	536,000	590
2002/03 F	1,612,000	720,000	2,332,000	63,000	1,618,800	650,000	200
Greece							
1999/00	310,000	14,000	324,000	16,000	271,000	2,000	35,000
2000/01	315,000	14,000	329,000	28,500	249,300	5,500	45,700
2001/02	260,000	18,000	278,000	20,000	237,000	1,000	20,000
2002/03 F	230,000	14,000	244,000	17,000	208,000	1,000	18,000
Italy							
1999/00	2,196,000	33,000	2,229,000	580,000	1,267,000	350,000	32,000
2000/01	2,267,000	33,000	2,300,000	527,000	1,363,000	390,000	20,000
2001/02	2,220,000	27,500	2,247,500	574,000	1,280,000	383,000	10,500
2002/03 F	2,370,000	20,000	2,390,000	610,000	1,350,000	400,000	30,000
Netherlands							
1999/00	575,000	338,891	913,891	434,050	317,717	147,599	14,525
2000/01	500,000	300,528	800,528	360,000	325,528	85,000	30,000
2001/02	475,000	323,818	798,818	320,000	362,818	96,000	20,000
2002/03 F	355,000	330,000	685,000	293,000	285,000	87,000	20,000
Spain							
1999/00	887,000	193,800	1,080,800	57,300	795,000	196,000	32,500
2000/01	698,500	273,800	972,300	65,000	721,000	165,800	20,500
2001/02	884,000	170,000	1,054,000	105,000	751,000	168,000	30,000
2002/03 F	723,000	250,000	973,000	60,000	728,000	165,000	20,000
Sweden							
1999/00	66,000	86,655	152,655	4,501	143,154	5,000	0
2000/01	68,000	86,398	154,398	1,328	148,070	5,000	0
2001/02	63,103	79,349	142,452	1,258	136,194	5,000	0
2002/03 F	54,000	80,000	134,000	1,100	127,900	5,000	0
United Kingdom							
1999/00	208,900	460,000	668,900	17,000	615,000	30,041	6,859
2000/01	162,200	455,850	618,050	13,400	582,450	22,000	200
2001/02	169,140	429,500	598,640	13,000	541,640	44,000	0
2002/03 F	134,200	470,000	604,200	13,000	559,200	32,000	0
SUBTOTAL SELECTED EU COUNTRIES							
1999/00	8,907,085	2,209,746	11,116,831	2,404,781	6,414,006	2,018,640	279,404
2000/01	9,453,142	2,130,555	11,583,697	2,285,233	6,818,370	2,231,300	248,794
2001/02	7,992,240	2,068,771	10,061,011	2,181,313	6,138,022	1,605,500	136,176
2002/03 F	7,932,160	2,234,000	10,166,160	2,177,100	6,110,760	1,710,000	168,300

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APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED (METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
OTHER NORTHERN HEMISPHERE COUNTRIES							
Canada							
1999/00	582,270	111,428	693,698	66,992	401,706	225,000	0
2000/01	532,218	120,692	652,910	62,914	404,996	185,000	0
2001/02	495,000	125,000	620,000	60,000	370,000	190,000	0
2002/03 F	510,000	130,000	640,000	58,000	382,000	200,000	0
China; Peoples Republic of							
1999/00	20,801,641	21,532	20,823,173	180,939	19,394,136	1,248,098	0
2000/01	20,431,230	34,856	20,466,086	281,851	19,159,235	1,025,000	0
2001/02	21,000,000	49,880	21,049,880	360,052	19,639,828	1,050,000	0
2002/03 F	20,500,000	60,000	20,560,000	400,000	19,050,000	1,110,000	0
Hungary							
1999/00	420,000	6,000	426,000	6,000	160,000	260,000	0
2000/01	700,000	6,000	706,000	7,000	140,000	559,000	0
2001/02	605,000	4,100	609,100	24,500	135,000	449,600	0
2002/03 F	470,000	4,500	474,500	20,000	140,000	314,500	0
Japan							
1999/00	927,700	464	928,164	2,445	777,719	148,000	0
2000/01	799,600	2,405	802,005	2,246	672,359	127,400	0
2001/02	930,700	349	931,049	6,546	776,203	148,300	0
2002/03 F	911,900	1,000	912,900	5,000	762,900	145,000	0
Mexico							
1999/00	449,866	155,590	605,456	0	514,456	91,000	0
2000/01	338,245	228,063	566,308	0	496,308	70,000	0
2001/02	457,889	160,000	617,889	0	527,889	90,000	0
2002/03 F	465,000	112,000	577,000	0	487,000	90,000	0
Poland							
1999/00	1,704,000	22,500	1,726,500	187,300	619,200	920,000	0
2000/01	2,400,800	19,100	2,419,900	205,900	764,000	1,450,000	0
2001/02	2,806,000	20,000	2,826,000	290,000	736,000	1,800,000	0
2002/03 F	2,107,000	23,000	2,130,000	200,000	680,000	1,250,000	0
Russian Federation							
1999/00	964,500	148,435	1,112,935	1,220	493,700	590,000	28,015
2000/01	1,589,600	334,800	1,924,400	1,555	1,073,505	770,000	79,340
2001/02	1,227,600	330,950	1,558,550	1,455	770,000	770,000	17,095
2002/03 F	1,400,000	335,000	1,735,000	2,000	880,000	800,000	53,000
Slovakia							
1999/00	68,300	34,200	102,500	2,900	76,000	23,600	0
2000/01	80,000	27,000	107,000	4,000	78,000	25,000	0
2001/02	87,600	23,000	110,600	5,600	80,000	25,000	0
2002/03 F	84,500	25,000	109,500	4,500	80,000	25,000	0
Taiwan							
1999/00	7,970	126,934	134,904	0	134,834	0	70
2000/01	7,670	135,163	142,833	0	142,763	0	70
2001/02	8,075	121,912	129,987	0	129,917	0	70
2002/03 F	9,570	117,000	126,570	0	126,500	0	70
Turkey							
1999/00	2,500,000	3,559	2,503,559	13,883	2,364,676	125,000	0
2000/01	2,400,000	1,795	2,401,795	16,504	2,265,291	120,000	0
2001/02	2,450,000	800	2,450,800	20,000	2,310,800	120,000	0
2002/03 F	2,500,000	800	2,500,800	25,000	2,350,800	125,000	0
United States 2/							
1999/00	4,822,010	165,503	4,987,513	540,725	2,427,528	2,019,260	0
2000/01	4,836,979	163,610	5,000,589	749,142	2,371,123	1,880,324	0
2001/02	4,367,691	166,539	4,534,230	619,813	2,157,833	1,756,584	0
2002/03 F	4,050,000	180,000	4,230,000	500,000	2,130,000	1,600,000	0

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APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES							
1999/00	33,248,257	796,145	34,044,402	1,002,404	27,363,955	5,649,958	28,085
2000/01	34,116,342	1,073,484	35,189,826	1,331,112	27,567,580	6,211,724	79,410
2001/02	34,435,555	1,002,530	35,438,085	1,387,966	27,633,470	6,399,484	17,165
2002/03 F	33,007,970	988,300	33,996,270	1,214,500	27,069,200	5,659,500	53,070
TOTAL NORTHERN HEMISPHERE COUNTRIES							
1999/00	42,155,342	3,005,891	45,161,233	3,407,185	33,777,961	7,668,598	307,489
2000/01	43,569,484	3,204,039	46,773,523	3,616,345	34,385,950	8,443,024	328,204
2001/02	42,427,795	3,071,301	45,499,096	3,569,279	33,771,492	8,004,984	153,341
2002/03 F	40,940,130	3,222,300	44,162,430	3,391,600	33,179,960	7,369,500	221,370
SOUTHERN HEMISPHERE COUNTRIES							
Argentina							
1999/00	847,084	13,280	860,364	95,895	324,670	439,799	0
2000/01	1,330,800	4,397	1,335,197	194,490	357,907	782,800	0
2001/02	900,000	1,000	901,000	200,000	311,000	390,000	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Australia							
1999/00	319,606	0	319,606	36,279	160,000	123,327	0
2000/01	285,000	0	285,000	33,857	130,000	121,143	0
2001/02	295,000	0	295,000	26,000	128,000	141,000	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brazil							
1999/00	969,090	43,651	1,012,741	64,480	948,261	0	0
2000/01	630,750	65,920	696,670	35,786	660,884	0	0
2001/02	757,000	59,328	816,328	75,000	741,328	0	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chile							
1999/00	760,000	60	760,060	387,700	98,360	274,000	0
2000/01	1,000,000	60	1,000,060	541,000	115,000	344,060	0
2001/02	960,000	60	960,060	500,000	120,000	340,060	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Zealand							
1999/00	553,705	95	553,800	333,000	70,000	150,800	0
2000/01	405,000	23	405,023	252,000	60,000	93,023	0
2001/02	462,000	80	462,080	288,000	54,000	120,080	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa; Republic of							
1999/00	581,200	0	581,200	221,770	140,330	219,100	0
2000/01	667,730	0	667,730	244,819	248,466	174,445	0
2001/02	690,000	0	690,000	250,000	250,000	190,000	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL SOUTHERN HEMISPHERE COUNTRIES							
1999/00	4,030,685	57,086	4,087,771	1,139,124	1,741,621	1,207,026	0
2000/01	4,319,280	70,400	4,389,680	1,301,952	1,572,257	1,515,471	0
2001/02	4,064,000	60,468	4,124,468	1,339,000	1,604,328	1,181,140	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WORLD TOTAL							
1999/00	46,186,027	3,062,977	49,249,004	4,546,309	35,519,582	8,875,624	307,489
2000/01	47,888,764	3,274,439	51,163,203	4,918,297	35,958,207	9,958,495	328,204
2001/02	46,491,795	3,131,769	49,623,564	4,908,279	35,375,820	9,186,124	153,341
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France which are August /July.

In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile, where the year starts on February 1 of the second year indicated, and New Zealand, where the year starts in October 1 of the first year indicated.

2/ U.S. import/export forecasts are based on trends during recent years, trade contacts, and shipments from July to August 2002.

F= Forecast

U.S. APPLE EXPORTS
COMPLETE MARKETING YEARS 1997/98-2001/02
(JULY-JUNE)
METRIC TONS

Country of Destination							Percent
Destination		1997/98	1998/99	1999/00	2000/01	2001/02	Changed
1 Mexico		63,115	119,442	155,067	223,471	167,173	-25%
2 Canada		96,868	92,172	83,954	95,362	93,126	-2%
3 Taiwan		113,044	113,139	84,474	110,483	74,095	-33%
4 Indonesia		30,508	18,533	28,411	42,472	41,904	-1%
5 Hong Kong		47,372	44,200	24,590	47,978	40,180	-16%
6 United Kingdom		21,000	30,042	23,699	29,462	32,500	10%
7 Malaysia		13,896	14,346	7,425	19,266	22,795	18%
8 United Arab Emirates		21,783	26,309	15,704	24,565	16,920	-31%
9 Thailand		14,160	12,469	10,668	13,693	12,378	-10%
10 Saudi Arabia		23,169	41,437	15,929	17,213	10,867	-37%
11 Venezuela		17,289	19,009	12,443	16,227	10,846	-33%
12 India		21	543	436	5,976	10,321	73%
13 Dominican Republic		4,679	5,830	5,315	8,269	9,366	13%
14 China		262	343	2,203	5,020	6,784	35%
15 Philippines		15,839	19,612	10,378	11,346	6,584	-42%
16 Costa Rica		6,931	6,502	6,001	8,854	6,546	-26%
17 El Salvador		1,462	3,097	3,925	4,445	4,469	1%
18 Singapore		6,432	10,610	4,314	5,626	4,429	-21%
19 Egypt		4,630	5,408	8,596	7,566	4,404	-42%
20 Guatemala		6,854	7,001	6,089	8,440	4,294	-49%
21 Trinidad and Tobago		1,085	900	1,737	2,718	4,277	57%
22 Honduras		1,809	3,240	1,956	2,720	3,955	45%
23 Russian Federation		11,417	2,471	932	1,297	3,552	174%
24 Israel		1,465	8,168	969	3,229	2,796	-13%
25 Panama		3,569	2,952	2,462	4,474	2,719	-39%
26 Kuwait		3,024	2,553	2,340	2,501	2,602	4%
27 Colombia		8,073	7,828	5,238	4,417	2,442	-45%
28 Vietnam		956	1,153	804	2,682	2,309	-14%
29 Iceland		1,769	1,794	1,441	1,139	1,586	39%
30 Netherlands		641	1,948	1,287	597	1,425	139%
31 Bangladesh		1,152	2,070	531	2,924	1,237	-58%
32 Greece		400	2,730	0	504	1,176	133%
33 Norway		779	1,060	169	361	916	154%
34 Sweden		2,155	4,761	525	1,540	908	-41%
35 Finland		2,866	2,189	307	867	797	-8%
36 Sri Lanka		1,611	2,750	710	775	632	-18%
37 Yemen		0	17	238	972	609	-37%
38 Spain		45	7,205	198	507	540	7%
39 Bahrain		948	818	1,187	1,370	517	-62%
40 Cambodia		567	226	326	601	420	-30%

continued

U.S. APPLE EXPORTS
COMPLETE MARKETING YEARS 1995/96-2001/02
(JULY-JUNE)
METRIC TONS

Country of Destination							Percent
Destination		1997/98	1998/99	1999/00	2000/01	2001/02	Changed
41	Barbados	450	734	348	505	406	-20%
42	Ireland	964	511	725	360	401	11%
43	Ecuador	3,464	1,278	101	1,266	394	-69%
44	The Bahamas	394	153	32	106	379	258%
45	Haiti	1,076	973	919	136	376	176%
46	Guyana	417	274	97	153	249	63%
47	Oman	40	479	271	271	202	-25%
48	Jamaica	106	236	8	204	197	-3%
49	Nicaragua	552	550	895	525	168	-68%
50	Brazil	4,315	4,722	608	511	152	-70%
	Others	4,807	9,667	3,743	3,176	1,493	-53%
Grand Total		570,230	666,454	540,725	749,142	619,813	-17%

Source: U.S. Bureau of the Census

U.S. APPLE IMPORTS
COMPLETE MARKETING YEARS 1997/98-2001/02
(JULY-JUNE)
METRIC TONS

Country of Destination							Percent
Destination		1997/98	1998/99	1999/00	2000/01	2001/02	Changed
1	Chile	35,077	43,878	42,269	52,812	61,554	17%
2	New Zealand	51,577	49,122	62,617	61,262	57,783	-6%
3	Canada	57,278	38,730	46,111	37,875	39,048	3%
4	South Africa	21,727	12,538	11,209	8,122	6,167	-24%
5	Argentina	1,105	2,660	1,937	3,334	1,720	-48%
6	Australia	0	0	0	117	174	49%
7	China	0	0	0	0	47	N/A
8	Japan	42	35	43	46	46	0%
9	Brazil	0	345	430	42	0	-100%
10	Colombia	0	0	21	0	0	N/A
11	Guatemala	0	0	19	0	0	N/A
12	Hong Kong	0	0	0	0	0	N/A
13	Leeward-Windward Islands	9	0	2	0	0	N/A
14	Namibia	0	2,039	0	0	0	N/A
15	Singapore	3	0	0	0	0	N/A
16	Switzerland	0	0	46	0	0	N/A
17	Taiwan	0	0	0	0	0	N/A
18	Thailand	0	0	5	0	0	N/A
19	Uruguay	396	306	795	0	0	N/A
Grand Total		167,214	149,654	165,503	163,610	166,539	2%

Source: U.S. Bureau of the Census

Pear Situation in Selected Northern Hemisphere Countries

Pear production in selected countries of the Northern Hemisphere in 2002/03 is expected to continue its upward trend. Forecast at a record 13 million tons, production of pears in 2002/03 in selected Northern Hemisphere countries is up slightly from last season and represents the 8th consecutive season of increasing production. The growth in the Northern Hemisphere mirrors the continued expansion of pear acreage in China, the top producer. China's pear crop this season is forecast at nearly 9 million tons, about 70 percent of the 2002/03 Northern Hemisphere pear crop forecast. On the other hand, the 2002/03 U.S. pear crop is forecast to fall to 860,000 tons, the lowest level in the last six seasons.

The United States

U.S. Pear Production Forecast to Decrease in 2002/03

U.S. total pear production in 2002/03 is forecast at 860,000 tons, down 6 percent from last season's large crop and the smallest volume since 1996/97, when production totaled nearly 745,000 tons. The smaller 2002/03 U.S. pear crop forecast is mainly the result of unfavorable weather in California and Washington, where 75 percent of the U.S. pear crop is produced. In California, hail damage is expected to hold the pear crop down for the third-consecutive season. Freezing temperatures during the spring will more than likely hamper pear production in Washington in 2002/03.

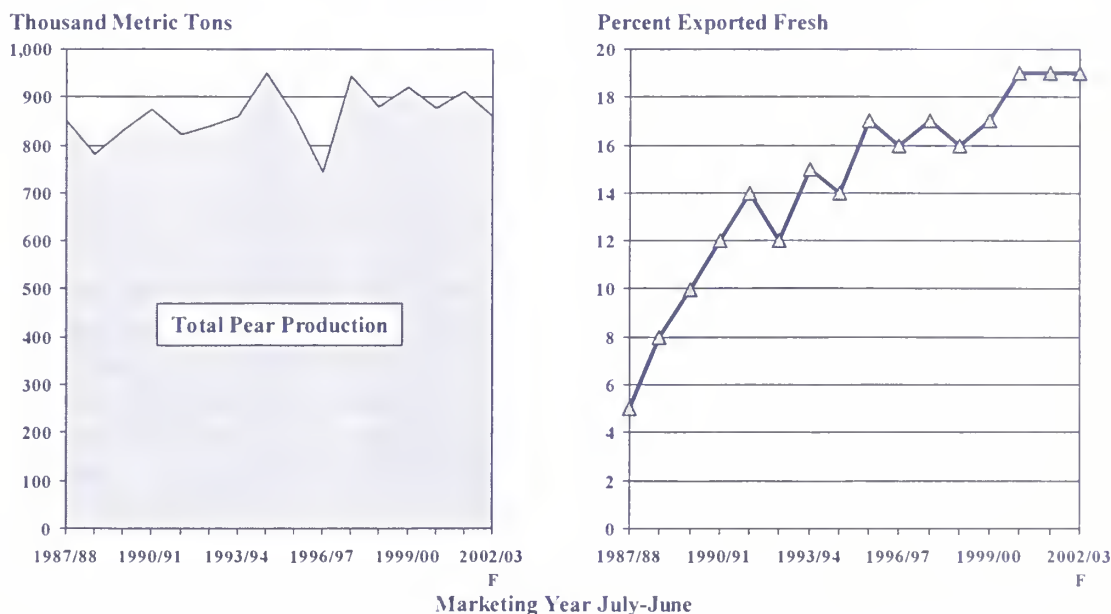
U.S. production of Bartlett pears in 2002/03 is forecast to decrease 5 percent in California and 10 percent in Washington. Bartlett pears, which are used mostly for canning, account for more than half of the pears produced in the United States. The economic difficulties of some U.S. processing industries are expected to encourage more diversion of Bartlett pears to the fresh domestic and export markets.

Pear Exports from the United States Reached Record Volume and Value in the 2001/02 Marketing Season

Exports have become vital for the success of the pear industry, generating a significant and growing share of the income of U.S. pear farmers. During the 2001/02 marketing season (July-June), the United States exported more than 170,000 tons of pears, valued just about \$100 million, both records. Mexico, with nearly half of the export volume and value, remained the top destination for U.S. pears in 2001/02. U.S. exports to Mexico, however, declined 4 percent in volume to 81,450 tons and 2 percent in value to \$44 million. Shipments to Canada, the second largest buyer of U.S. pears, totaled 50,000 tons, about a third of the export volume, and \$34 million or 35 percent of the value exported. Mexico and Canada combined accounted for three quarters of the volume and 80 percent of the value. The Netherlands (5 percent), Venezuela (4 percent), and Sweden (2 percent) completed the top five largest markets.

Exports of U.S. pears continue to expand in some non-traditional markets, such as those in the Caribbean region. Last season, the volume U.S. pear shipments to the Caribbean increased 60 percent to more than 700 tons, valued at \$500 million. The Dominican Republic, accounting for most of the shipments, has become the top buyer of U.S. pears in the region. During the last five seasons, the volume of U.S. pear sales to the Dominican Republic has increased more than 500 percent and the value 40 percent.

Exports Have Become Increasingly Important to the U.S. Pear Industry



Source: USDA National Agricultural Statistics Service and U.S. Census of the Bureau

Overall last season, ample supplies of good quality fresh-marketed pears, the continued diversion of more processing pears into the fresh market, and continued promotion efforts kept U.S. pear exports strong.

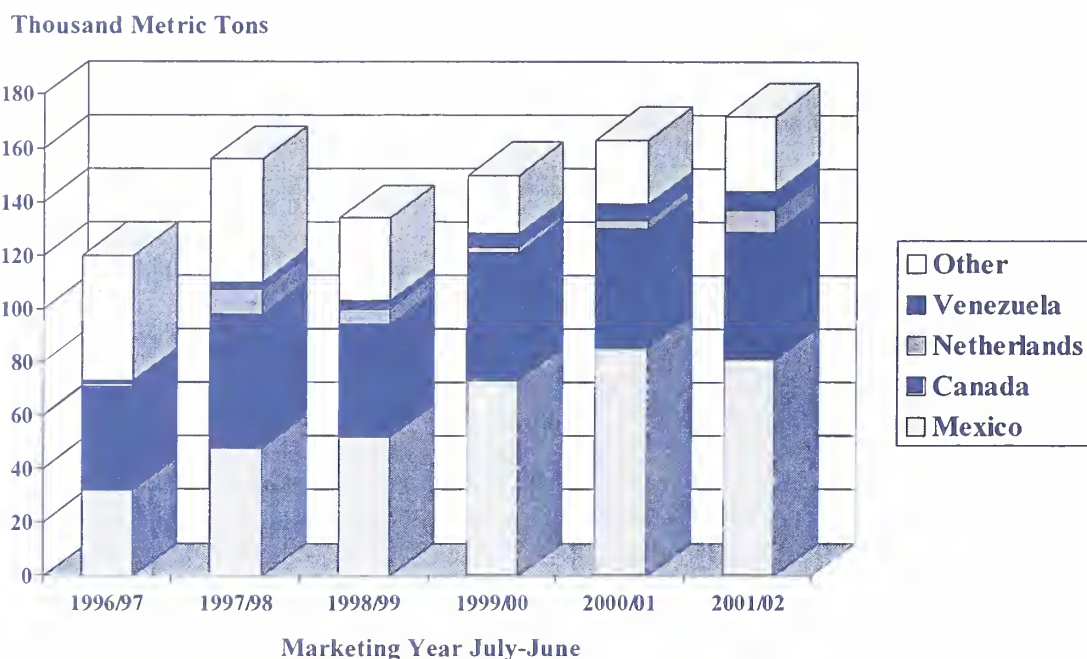
Mexico

Mexico's Pear Imports to Continue to Increase in 2002/03

Mexico continues to rely on imports to meet increased fresh pear domestic demand, because domestic production is minimal and not expanding. In 2002/03, Mexico's pear imports are forecast to increase again, surpassing the 100,000-ton level. The United States accounts for about 95 percent of Mexican imports. Mexico's market for U.S. pears has grown steadily and now accounts for half of U.S. pear shipments and 10 percent of the U.S. production. Promotion activities under MAP have been a key element in the success of U.S. pears in Mexico.

Pear consumption in Mexico in 2002/03 is forecast to increase to nearly 135,000 tons. Mexicans prefer the Anjou variety followed by the Bartlett, which is rapidly gaining acceptance. However, other varieties of pears are not yet as popular. Great efforts continue to be made to promote the Bosc variety, which was, until recently, unknown to Mexican consumers.

Mexico Has Become U.S. Pears #1 Export Market



Source: U.S. Department of Commerce, Bureau of the Census

China

Exports Becoming an Increasingly Important Outlet for Chinese Pears

Pear shipments from China continue to increase and are becoming more and more important to Chinese pear growers. China pear shipments have increased steadily and dramatically in recent years, mostly driven by improved fruit quality. Last season, for example, China exported a record of nearly 195,000 tons of pears, more than twice the volume shipped in 1995/96. Fruit quality in China continues to improve, and, as such, pear exports are forecast to increase to 200,000 tons in 2002/03. Russia and countries in Southeast Asia are the main export destinations for most of China's pear exports.

The United States Resumes Imports of Chinese Ya Pear

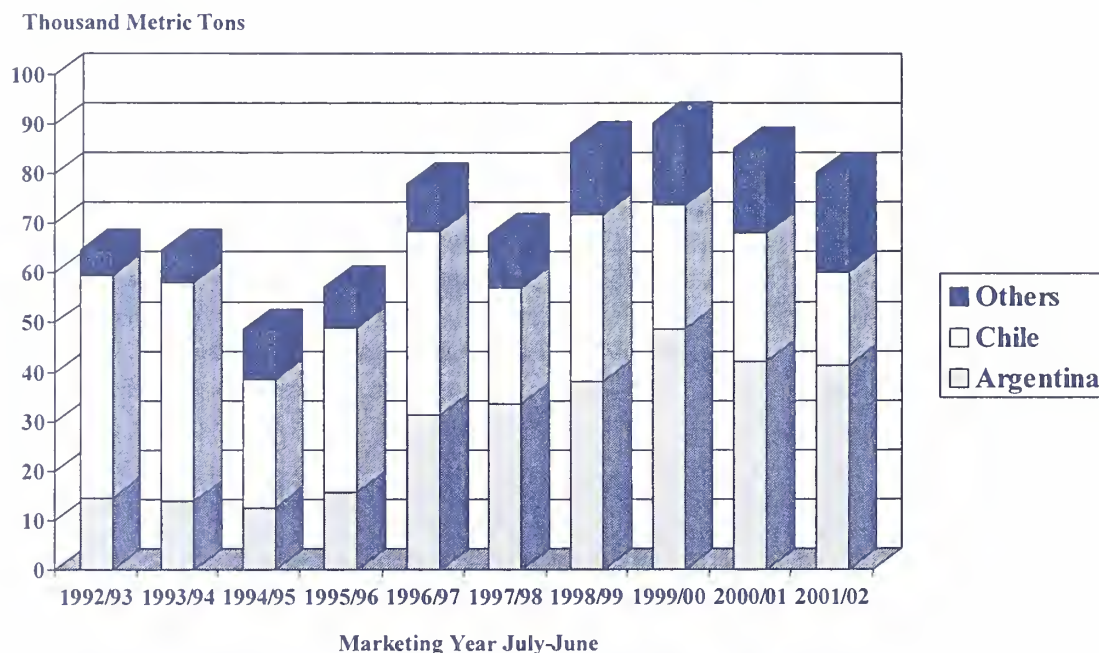
In October 2002, the United States approved the resumption of imports of Chinese Ya pears. The development followed a site visit by a technical team from APHIS to Ya pear production orchards in Hebei Province and Shandong Provinces. During the visit, the APHIS team assessed post-harvest mitigation measures associated with black spot (*Alternaria sp.* and *Venturia nashicola*) in the two Ya pear production areas. After satisfactorily assessing the post-harvest mitigation measure for both diseases, the resumption of the Hebei Ya pear export program and the initiation of a new Ya pear export program for the Shandong Province were approved.

China's exports of Ya pears to the United States started in 1997 and were one of the commodities for which China was seeking access to the United States under the U.S.-China bilateral agreement. Chinese Ya pear shipments to the United States were valued at about \$3 million in 2001 and represented China's only significant exports of fresh fruit to the United States. The United States banned entry of Ya Pears from China in March 2001 after numerous shipments were found with symptoms of black spot and other diseases.

Selected Countries Import Tariff on Fresh Pears

Country	Tariff Import
Argentina	25%
Brazil	12.5%
Chile	8%
Venezuela	15%
Saudi Arabia	5%
Turkey	62.3%
Egypt	50%
India	40%
Japan	5%
Korea	50%
Philippines	10%
Taiwan	30%
Thailand	39%
United States	April-June: 0, July-March: 3 cents/kg

Argentina and Chile Continue to Supply Most of the U.S. Pear Import Market



Source: U.S. Department of Commerce, Bureau of the Census

(For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Steve Shnitzler at 202-720-8495. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our pear web page at: <http://www.fas.usda.gov/http/horticulture/pears/html>)

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
NORTHERN HEMISPHERE COUNTRIES							
SELECTED EUROPEAN UNION (EU) COUNTRIES							
Belgium-Luxembourg							
1999/00	165,220	66,425	231,645	171,205	45,610	14,000	830
2000/01	183,059	63,957	247,016	195,194	45,471	2,500	3,851
2001/02	89,676	90,000	179,676	132,500	45,408	1,500	268
2002/03 F	147,390	70,000	217,390	168,000	45,500	2,000	1,890
France							
1999/00	267,000	101,000	368,000	39,000	279,000	45,000	5,000
2000/01	258,000	105,000	363,000	35,000	278,000	45,000	5,000
2001/02	247,000	91,600	338,600	45,400	245,600	45,000	2,600
2002/03 F	257,000	98,000	355,000	50,000	255,000	45,000	5,000
Germany							
1999/00	54,042	167,770	221,812	8,754	211,892	1,163	3
2000/01	65,162	150,754	215,916	10,654	203,036	2,184	42
2001/02	46,823	159,758	206,581	10,164	195,155	1,262	0
2002/03 F	44,000	161,000	205,000	8,750	195,250	1,000	0
Greece							
1999/00	66,000	17,000	83,000	1,400	72,950	8,400	250
2000/01	60,000	14,000	74,000	1,000	64,750	8,000	250
2001/02	55,000	15,000	70,000	1,000	60,800	8,000	200
2002/03 F	24,500	28,000	52,500	600	44,685	7,000	215
Italy							
1999/00	784,000	115,000	899,000	123,000	688,000	80,000	8,000
2000/01	940,000	94,000	1,034,000	138,000	776,000	110,000	10,000
2001/02	840,000	119,000	959,000	126,000	743,000	90,000	0
2002/03 F	910,000	100,000	1,010,000	135,000	765,000	110,000	0
Netherlands							
1999/00	135,000	126,428	261,428	174,855	76,941	9,632	0
2000/01	195,000	130,642	325,642	190,000	130,142	5,500	0
2001/02	70,000	132,899	202,899	90,000	108,899	4,000	0
2002/03 F	175,000	130,000	305,000	185,000	115,000	5,000	0
Spain							
1999/00	682,500	24,500	707,000	138,000	499,000	40,000	30,000
2000/01	595,000	43,000	638,000	103,000	470,000	43,800	21,200
2001/02	661,000	25,000	686,000	171,000	460,000	40,000	15,000
2002/03 F	626,100	30,000	656,100	115,000	481,100	40,000	20,000
Sweden							
1999/00	12,771	31,684	44,455	129	44,326	0	0
2000/01	13,375	27,449	40,824	256	40,568	0	0
2001/02	12,098	28,317	40,415	404	40,011	0	0
2002/03 F	15,700	30,000	45,700	300	45,400	0	0
United Kingdom							
1999/00	18,052	133,000	151,052	2,500	148,052	400	100
2000/01	34,031	119,624	153,655	3,280	149,875	400	100
2001/02	34,970	99,100	134,070	3,800	129,870	400	0
2002/03 F	34,500	120,000	154,500	3,000	151,000	500	0
continued--							

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
SUBTOTAL SELECTED EU COUNTRIES							
1999/00	2,184,585	782,807	2,967,392	658,843	2,065,771	198,595	44,183
2000/01	2,343,627	748,426	3,092,053	676,384	2,157,842	217,384	40,443
2001/02	2,056,567	760,674	2,817,241	580,268	2,028,743	190,162	18,068
2002/03 F	2,234,190	767,000	3,001,190	665,650	2,097,935	210,500	27,105
OTHER NORTHERN HEMISPHERE COUNTRIES							
Canada							
1999/00	17,419	70,670	88,089	779	82,610	4,700	0
2000/01	15,072	72,009	87,081	465	82,116	4,500	0
2001/02	17,000	75,000	92,000	500	86,900	4,600	0
2002/03 F	17,500	77,000	94,500	500	89,000	5,000	0
China; Peoples Republic of							
1999/00	7,742,331	9,750	7,752,081	109,004	7,186,277	456,800	0
2000/01	8,400,000	620	8,400,620	167,527	7,813,093	420,000	0
2001/02	8,820,000	664	8,820,664	193,903	8,185,761	441,000	0
2002/03 F	8,800,000	655	8,800,655	200,000	8,159,655	441,000	0
Japan							
1999/00	415,700	309	416,009	4,169	411,340	500	0
2000/01	423,800	576	424,376	3,191	420,685	500	0
2001/02	397,000	907	397,907	2,821	394,586	500	0
2002/03 F	426,300	700	427,000	3,000	423,500	500	0
Mexico							
1999/00	33,352	74,158	107,510	0	105,510	2,000	0
2000/01	31,280	95,513	126,793	0	124,793	2,000	0
2001/02	32,968	98,000	130,968	0	128,968	2,000	0
2002/03 F	33,500	102,000	135,500	0	133,500	2,000	0
Russian Federation							
1999/00	136,600	77,430	214,030	80	162,000	51,000	950
2000/01	190,400	104,985	295,385	155	229,665	60,400	5,165
2001/02	226,000	141,060	367,060	110	287,650	72,100	7,200
2002/03 F	226,000	142,000	368,000	200	290,000	73,000	4,800
Turkey							
1999/00	360,000	151	360,151	12,204	329,947	18,000	0
2000/01	380,000	118	380,118	11,707	349,411	19,000	0
2001/02	360,000	10	360,010	17,000	325,010	18,000	0
2002/03 F	375,000	0	375,000	20,000	336,500	18,500	0
United States							
1999/00	921,202	90,263	1,011,465	153,270	425,231	432,964	0
2000/01	877,385	85,094	962,479	167,547	430,207	364,725	0
2001/02	912,457	79,743	992,200	172,314	437,861	382,025	0
2002/03 F	860,000	85,000	945,000	165,000	420,000	360,000	0
SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES							
1999/00	9,626,604	322,731	9,949,335	279,506	8,702,915	965,964	950
2000/01	10,317,937	358,915	10,676,852	350,592	9,449,970	871,125	5,165
2001/02	10,765,425	395,384	11,160,809	386,648	9,846,736	920,225	7,200
2002/03 F	10,738,300	407,355	11,145,655	388,700	9,852,155	900,000	4,800

continued--

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
TOTAL NORTHERN HEMISPHERE COUNTRIES							
1999/00	11,811,189	1,105,538	12,916,727	938,349	10,768,686	1,164,559	45,133
2000/01	12,661,564	1,107,341	13,768,905	1,026,976	11,607,812	1,088,509	45,608
2001/02	12,821,992	1,156,058	13,978,050	966,916	11,875,479	1,110,387	25,268
2002/03 F	12,972,490	1,174,355	14,146,845	1,054,350	11,950,090	1,110,500	31,905
SOUTHERN HEMISPHERE COUNTRIES							
Argentina							
1999/00	478,078	786	478,864	279,462	119,867	79,535	0
2000/01	610,110	468	610,578	315,631	111,537	183,410	0
2001/02	550,000	300	550,300	350,000	100,300	100,000	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Australia							
1999/00	156,000	1,116	157,116	20,562	73,000	63,554	0
2000/01	160,000	1,027	161,027	16,877	74,728	69,422	0
2001/02	165,000	1,000	166,000	16,700	84,000	65,300	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chile							
1999/00	237,000	0	237,000	124,700	65,300	47,000	0
2000/01	249,000	0	249,000	128,900	69,100	51,000	0
2001/02	232,000	0	232,000	124,000	68,000	40,000	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Zealand							
1999/00	32,555	1,400	33,955	6,500	20,905	6,550	0
2000/01	23,256	1,400	24,656	4,500	15,606	4,550	0
2001/02	23,800	1,400	25,200	5,500	15,150	4,550	0
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Africa; Republic of							
1999/00	277,336	0	277,336	98,330	53,510	121,816	3,680
2000/01	246,320	0	246,320	90,406	60,860	93,054	2,000
2001/02	250,000	0	250,000	92,000	62,000	94,800	1,200
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL SOUTHERN HEMISPHERE COUNTRIES							
1999/00	1,180,969	3,302	1,184,271	529,554	332,582	318,455	3,680
2000/01	1,288,686	2,895	1,291,581	556,314	331,831	401,436	2,000
2001/02	1,220,800	2,700	1,223,500	588,200	329,450	304,650	1,200
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WORLD GRAND TOTAL							
1999/00	12,992,158	1,108,840	14,100,998	1,467,903	11,101,268	1,483,014	48,813
2000/01	13,950,250	1,110,236	15,060,486	1,583,290	11,939,643	1,489,945	47,608
2001/02	14,042,792	1,158,758	15,201,550	1,555,116	12,204,929	1,415,037	26,468
2002/03 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France which are August /July.

In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile, where the year starts on February 1 of the second year indicated, and New Zealand, where the year starts in October 1 of the first year indicated.

2/ U.S. import/export forecasts are based on trends during recent years, trade contacts, and shipments from July to August 2002.

F= Forecast

TABLE 2
U.S. PEAR EXPORTS
COMPLETE MARKETING YEARS 1997/98-2001/02
(JULY-JUNE)
METRIC TONS

Country of Destination Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Percent Changed
1 Mexico	48,220	52,321	73,173	85,095	81,448	-4%
2 Canada	50,150	41,668	48,073	45,367	48,997	8%
3 Netherlands	9,340	6,466	2,132	2,724	8,317	205%
4 Venezuela	3,439	2,824	5,283	5,982	7,125	19%
5 Sweden	7,796	4,283	3,040	3,747	3,723	-1%
6 Taiwan	4,323	4,039	3,799	3,572	3,486	-2%
7 United Arab Emirates	1,868	887	1,562	2,281	1,991	-13%
8 Colombia	1,506	1,321	2,079	1,109	1,936	75%
9 Brazil	17,506	10,381	4,058	7,120	1,726	-76%
10 Hong Kong	2,191	1,559	820	851	1,545	82%
11 Saudi Arabia	3,494	2,980	2,700	2,220	1,338	-40%
12 United Kingdom	1,271	1,095	423	422	1,307	210%
13 Israel	2,529	2,343	349	785	1,153	47%
14 Germany	476	298	391	326	970	198%
15 Singapore	1,186	751	513	695	970	40%
16 Costa Rica	713	549	416	878	892	2%
17 Panama	610	536	1,355	922	641	-30%
18 Guatemala	514	227	312	587	562	-4%
19 Dominican Republic	77	257	303	353	489	39%
20 Yemen	0	0	0	353	458	30%
21 Indonesia	292	51	158	128	414	223%
22 New Zealand	50	0	26	35	368	951%
23 Russian Federation	4,393	440	165	174	311	79%
24 El Salvador	33	52	88	194	294	52%
25 Ireland	185	160	62	172	294	71%
26 Bahrain	192	112	82	214	267	25%
27 Ecuador	165	92	63	18	246	1267%
28 Korea; Republic of	0	0	6	0	161	100%
29 Trinidad and Tobago	60	84	120	71	147	107%
30 Kuwait	151	198	170	124	103	-17%
31 China	0	19	0	0	90	100%
32 Malaysia	141	38	0	37	89	141%
33 Peru	99	174	42	14	74	429%
34 Iceland	262	254	194	0	67	100%
35 Bahamas; The	125	31	3	4	67	1575%
36 Japan	200	292	91	92	64	-30%
37 Honduras	93	120	166	29	40	38%
38 Thailand	44	0	0	0	35	100%
39 Philippines	0	108	73	11	25	127%
40 Niger	0	0	0	0	22	100%
Others	1,177	1,272	980	841	62	-93%
Grand Total	164,871	138,282	153,270	167,547	172,314	3%

Source: U.S. Bureau of the Census

TABLE 3
U.S. PEAR IMPORTS
COMPLETE MARKETING YEARS 1997/98-2001/02
(JULY-JUNE)
METRIC TONS

Country of Destination Destination	1997/98	1998/99	1999/00	2000/01	2001/02	Percent Changed
1 Argentina	33,591	38,129	48,619	42,244	41,384	-2%
2 Chile	23,321	33,552	25,031	25,774	18,804	-27%
3 China	20	1,147	2,789	6,506	7,448	14%
4 South Korea	920	1,586	2,996	5,827	6,283	8%
5 New Zealand	3,881	4,462	5,282	2,417	4,834	100%
6 South Africa	5,020	6,271	4,456	1,499	466	-69%
7 Japan	303	491	539	352	378	7%
8 Canada	771	559	546	400	141	-65%
9 Bolivia	0	0	0	0	5	100%
11 Dominican Republic	0	0	4	0	0	0%
12 Italy	0	195	0	0	0	0%
13 Mexico	37	32	0	0	0	0%
14 Netherlands	0	0	1	0	0	0%
16 Spain	0	0	0	75	0	-100%
Grand Total	67,864	86,424	90,263	85,094	79,743	-6%

Source: U.S. Bureau of the Census

Canned Deciduous Fruit Situation In Selected Countries

Production of canned peaches in selected countries for 2001/02 is estimated at 1.06 million tons, down 7 percent from the revised estimate of 1.14 million tons produced in 2000/01. World exports for the selected countries for 2001/02 are estimated at 677,000 tons, up 15 percent from the preceding year. Forecast canned peaches production for 2002/03 is placed at 1.09 million tons, up less than 1 percent from this year's level. Exports are forecast at 560,900 tons, down 17 percent from the 2001/02 estimate. Canned pear production for 2001/02 is estimated at 155,728 tons, up 26 percent from the previous year due to extraordinary Spanish output. Forecast production for 2002/03 is 138,000 tons, down 17 percent from 2000/01. Exports of canned pears for 2002/03 are forecast 93,000 tons, down 1 percent from last year's level.

Regional and Country Highlights

Market fundamentals, which for the past two years have worked to the benefit of Greek producers, have turned and now offer hope to other world producers. For the last two years, world prices have been depressed due to the enormous production and export of Greek product. Although 2002/03 world production is forecast to be up slightly from last year's level, exports for the 2002/03 year are forecast to be down by 17 percent or by 90,000 tons. This is due principally to the 32-percent drop in Greek production, and concomitant reduction in Greek exports. The reduced export availability is the principal factor helping to bring prices back to normal levels. In addition, Greek canners will be receiving smaller subsidy payments. At the same time, the euro is gaining strength against the U.S. dollar and other currencies, which will raise the price of Greek product.

Greece

Canned peach output for the 2002/03 marketing year is forecast at 276,000 tons, down 32 percent from the previous year and 24 percent from the May forecast. The total supply available for export in the coming year is the smallest since 1998/99 marketing year. Exports last year set a new record, reaching 458,000 tons, up 68,000 tons over the previous record set in 1995/96. Exports for 2002/03 are forecasted to be 300,900 tons.

Last year withdrawals totaled 50,000 tons compared to 204,000 tons the year before. This year withdrawals totaled only 3,000 tons, due to the reduced production. The EU's policy is to phase out withdrawal payments by marketing year 2003/04. Last year, the EU paid growers about 10.4 U.S. cents/kg for withdrawn fruit. The maximum quantity available for this payment equaled 20 percent of the total fruit marketed. This included both for fresh and processed markets and for both freestone and cling peaches. This coming marketing year, the EU will reduce this quantity to 10 percent of the total quantity marketed.

Support to growers is paid directly to producers' organizations for distribution to producers. This support is estimated to comprise about 4.3 cents of the price or about 20 percent of the price (21.8 cents/kg) received by growers. Thus, growers' income is a function of a weighted-average price consisting of the withdrawal price, market price, and EU subsidy.

Under the EU's previous canned fruit regime, the growers subsidy or guaranteed price was passed through the processors. The EU paid the processors a "processing aid" which theoretically was to be included in the price processors paid to the growers. However, there was always a suspicion that a portion of this aid was kept by processors and used to maintain inefficient operations, by acting as an indirect export subsidy. Essentially the EU forced international competitors to the wall to maintain their industry. As a result of the reform of the canned fruit regime -- principally the payment of subsidies to producer organizations and the gradual elimination of the withdrawal aid -- the number of processing plants declined from about 27 during the heydays of the mid 1990's to 15 in MY 2001/02. However, the decline in the number of processing plants did not translate into a decline in the capacity of fruit processing, which has always exceeded the demand for fruit.

Greek exports set a record 458,300 tons last year due to an unprecedented supply of low-priced, subsidized product and an appreciating U.S. dollar. However, several Latin American countries, whose currency depreciated against the euro, took protective action against imports of Greek shipments. Argentina initiated a countervailing duty of 12 percent on top of a 35-percent tariff and a \$0.5/kg safeguard measure. Brazil initiated an antidumping duty of 100 percent on top of a 16.5-percent tariff and an additional tariff of 55 percent for a special listing of the product on an exception list. The loss of these two markets contributed to expanded shipments into the United States.

As Greece solidifies its dominance in the canned peach sector, production of fruit mixtures will increase. Peaches are the fundamental ingredients in a traditional fruit cocktail mixture. Excess production of fresh peaches accompanied by surplus processing capacity should, with proper management, provide a solid base for a larger output of canned fruit mixtures. Since 1997, Greek production of fruit mixtures has increased from 1,800 tons to over 28,000 tons last year. Production for the coming year is forecast at 33,600 tons.

Italy

Italian canned peach, pear, and mixed fruit output levels for 2001/02 are estimated at 17,000 tons, 46,500 tons, and 66,000 tons, respectively. Forecast production levels for 2002/03 are 21,000 tons, 46,000 tons, and 66,000 tons, respectively.

The appreciating dollar helped boost canned peach exports by 2,000 tons from their normal level of 32,000 tons. To a large extent, Italy was exporting a more expensive, higher-quality domestic product, while importing a lower-valued Greek product for domestic consumption. Production for

2002/03 is estimated at 21,000 tons and exports are estimated at 37,000 tons. This export figure is a bit higher than normal due to reduced Greek supplies.

Canned pear output for 2001/02 is estimated at 46,500 tons, up 500 tons from the previous forecast. Production for 2002/03 is estimated at 46,000 tons.

Italian exports of canned pears and mixtures are forecast to increase in marketing year 2002/03 to 39,000 tons and 65,000 tons, respectively. In fact, Italian canned pears and mixtures remain competitive on the international market, due to the quality of Italian pears and their relatively low prices.

From the marketing standpoint, canned peaches and pears are generally considered to be a mature food product with little room for growth due to competition from fresh fruit imports, which are increasingly available throughout the year. Fruit cocktail, however, is considered to be a convenience food that still offers market opportunities, especially in export markets. Canned pears and peaches are destined almost exclusively for the catering industry in Italy, while canned mixtures are still consumed by families.

South Africa

Forecast 2002/03 production of fruit for processing (peaches, pears, and apricots,) is placed at 250,800 tons, an increase of 16 percent from a year earlier. Fresh fruit expected to be delivered for processing comprises about 43,800 tons of apricots, 117,000 tons of peaches, and 90,000 tons of pears. This increase is expected to result in a 34-percent rise in canned fruit production (canned peaches, canned pears, canned apricots and canned fruit mixtures).

Exports of canned fruit in 2002/03 are expected to grow by 24 percent. The principal export is canned peaches, which will increase from 50,000 tons exported in 2001/02 to a forecast 70,000-tons in 2002/03.

South Africa's fruit canning industry is the fourth largest in the world. The domestic industry is made up of four main canners, Langerberg foods, Sapco of Delmonte Brand, Ashton, and Rhodes Fruit Farm Foods. Exports account for 90 percent of canned fruit production, 50 percent of which goes to Europe. According to the Canning Fruit Producers' Association (CFPA), the canning fruit market is growing only slightly each year. Except for peaches, not all of South Africa's deliveries for processing are used for canning. Depending on the quality, fruits are also processed for juice, or pureed as pulp and baby food.

South Africa's canned fruit exports to Europe are still important, although sales to the Far East and the rest of the world are constantly rising as a result of South Africa's shift in marketing strategy from Europe to other regions. Under the SA/EU Trade Agreement, which became effective in January 2000, the South African canners have closely monitored their EU shipments to get the maximum possible benefit from their allocated tariff quota. There has also been close

liaison with government departments and the South African Revenue Service (SARS) regarding the management of the quotas. The quotas for marketing year 2000 were shared among the canners based on their historical average share of exports to the EU during the period 1996 to 1998. Although this procedure complies with the SA/EU Free Trade Agreement Protocol, it does not take into account shifts in individual canner export patterns.

The FAS Attaché Report search engine contains reports on the Canned Deciduous Fruit. For information on production and trade, contact Robert Knapp at 202-720-4620. For information on marketing contact Kristin Kezar at 202-609-0556.)

CANNED PEACHES: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
--Metric Tons Net Weight 1/ --							
Greece							
2000/2001	102,000	397,000	1,300	500,300	366,000	13,000	121,300
2001/2002	121,300	407,000	1,000	529,300	458,300	14,000	57,000
2002/2003	57,000	276,000	1,300	334,300	300,900	13,000	20,400
Italy							
2000/2001	11,500	26,500	25,000	63,000	32,000	11,000	20,000
2001/2002	20,000	17,000	20,000	57,000	34,000	10,000	13,000
2002/2003	13,000	21,000	15,000	49,000	37,000	9,500	2,500
Spain							
2000/2001	22,000	143,000	4,400	169,400	72,000	75,400	22,000
2001/2002	22,000	125,000	3,200	150,200	74,100	71,100	5,000
2002/2003	5,000	154,000	2,500	161,500	75,000	76,500	10,000
United States							
2000/2001	57,359	350,888	47,859	456,106	14,171	401,110	40,825
2001/2002	40,825	325,577	62,555	428,957	8,447	389,892	30,618
2002/2003	30,618	401,919	50,000	482,537	10,000	405,000	67,537
Australia							
2000/2001	9,300	44,820	145	54,265	8,380	36,285	9,600
2001/2002	9,600	40,670	500	50,770	9,386	35,582	5,802
2002/2003	5,802	43,990	500	50,292	9,000	35,000	6,292
Chile							
2000/2001	319	46,000	168	46,487	36,268	7,000	3,219
2001/2002	3,219	39,000	186	42,405	36,000	5,600	805
2002/2003	805	45,500	500	46,805	39,000	7,000	805
Argentina							
2000/2001	1,605	70,520	499	72,624	2,268	70,000	356
2001/2002	356	47,000	0	47,356	6,800	40,500	56
2002/2003	56	67,000	0	67,056	20,000	46,500	556
South Africa; Republic of							
2000/2001	20,640	64,692	250	85,582	55,042	12,000	18,540
2001/2002	18,540	60,810	250	79,600	50,000	12,200	17,400
2002/2003	17,400	85,000	250	102,650	70,000	12,250	20,400
Total							
2000/01	224,723	1,143,420	79,621	1,447,764	586,129	625,795	235,840
2001/02	235,840	1,062,057	87,691	1,385,588	677,033	578,874	129,681
2002/03	129,681	1,094,409	70,050	1,294,140	560,900	604,750	128,490

Note: For Calendar year reference, MY 2002/03 would become Cy 2002

1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans

Source U.S. Agricultural Attaché Reports

CANNED PEARS: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
--Metric Tons Net Weight 1/ --							
Australia							
2000/2001	5,200	44,405	10	49,615	15,615	29,800	4,200
2001/2002	4,200	43,160	100	47,460	15,500	29,000	2,960
2002/2003	2,960	42,330	100	45,390	14,000	29,000	2,390
Spain							
2000/2001	900	28,500	400	29,800	13,100	13,700	3,000
2001/2002	3,000	48,300	300	51,600	20,500	18,500	12,600
2002/2003	12,600	27,000	500	40,100	18,000	14,000	8,100
Italy							
2000/2001	16,000	30,000	2,000	48,000	39,000	9,000	0
2001/2002	0	46,500	1,000	47,500	38,000	8,000	1,500
2002/2003	1,500	46,000	1,000	48,500	39,000	7,000	2,500
South Africa; Republic of							
2000/2001	10,024	20,660	0	30,684	20,648	2,050	7,986
2001/2002	7,986	17,768	0	25,754	19,000	2,250	4,504
2002/2003	4,504	22,700	0	27,204	21,000	2,270	3,934
Total							
2000/01	32,124	123,565	2,410	158,099	88,363	54,550	15,186
2001/02	15,186	155,728	1,400	172,314	93,000	57,750	21,564
2002/03	21,564	138,030	1,600	161,194	92,000	52,270	16,924

Note: For Calendar year reference, MY 2002/03 would become CY 2002

1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans

Source U.S. Agricultural Attaché Reports

U.S. IMPORTS OF CANNED PEACHES
Marketing Year June/May

Origin	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
--Metric Tons Net Weight 1/ --						
Greece	19,475	4,586	6,715	20,077	35,437	39,751
Spain	4,324	11,424	1,971	1,993	3,122	8,985
South Africa	2,717	3,863	1,531	474	4,390	6,943
Chile	1,166	447	69	2,388	1,654	653
China	244	728	1,064	369	881	2,342
Japan	69	7	0	0	0	0
France	56	102	46	95	133	112
Italy	19	13	25	0	59	30
Other	17	814	2,487	833	2,183	3,739
Grand Total	28,087	21,984	13,908	26,229	47,859	62,555

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED PEACHES
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
--Metric Tons Net Weight 1/ --						
Canada	4,192	7,452	6,248	8,043	5,979	4,763
Mexico	451	950	4,154	5,395	220	740
Japan	2,559	2,917	2,475	2,248	1,083	261
Korea	1,593	569	1,220	1,142	1,541	496
Taiwan	1,295	912	1,036	346	392	47
Singapore	900	228	110	141	63	19
Hong Kong	809	287	197	47	56	0
Philippines	442	119	650	91	828	508
Costa Rica	494	581	619	450	343	336
Germany	233	346	265	101	0	0
Guatemala	217	188	226	383	216	142
El Salvador	214	218	245	273	243	71
Saudi Arabia	201	467	151	154	221	123
Russia	1,077	579	5	0	0	0
Other	1,329	3,184	10,133	1,383	2,986	941
Grand Total	16,006	18,997	27,734	20,197	14,171	8,447

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED PEARS
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
--Metric Tons Net Weight 1/ --						
Canada	2,703	3,261	3,293	3,501	2,917	2,311
Mexico	77	14	0	23	0	103
Germany	115	95	96	0	0	0
United Kingdom	85	219	0	0	20	137
Japan	311	290	528	279	410	141
Hong Kong	49	6	128	87	0	120
Singapore	41	10	3	2	94	0
Thailand	39	22	17	8	1,260	1703
Malaysia	31	19	18	6	0	3
Russia	43	0	0	0	108	26
Saudi Arabia	15	58	29	3	0	7
United Arab Emirates	0	390	662	426	0	0
Other	197	323	214	254	1,032	1,814
Grand Total	3,706	4,707	4,988	4,589	5,841	6,365

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED FRUIT MIXTURES
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
--Metric Tons Net Weight 1/ --						
Canada	7,422	8,512	10,432	10,273	4,653	3,154
Mexico	185	520	362	374	876	678
Japan	3,555	2,928	3,681	3,876	2,081	1,342
Philippines	3,804	700	633	640	628	386
Hong Kong	1,970	606	506	414	212	75
Singapore	1,826	999	817	567	455	388
Taiwan	416	626	814	355	104	36
Korea	421	689	500	547	158	75
Panama	597	1,148	802	844	593	364
El Salvador	337	379	486	447	479	248
Costa Rica	834	1,230	1,063	868	763	569
Saudi Arabia	820	1,182	1,022	186	659	690
Other	2,762	2,841	4,207	3,109	1,756	1,519
Grand Total	24,949	22,360	25,325	22,500	13,417	9,524

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

World Trade Situation and Policy Updates

National Survey for Potato Mop Top Virus

The Animal and Plant Health Inspection Service (APHIS) announced plans on October 9, to conduct a national survey for potato mop top virus (PMTV), the results of which will represent every certified seed lot in the United States. USDA is funding this survey under the Technical Assistance for Specialty Crops (TASC) program. PMTV was confirmed for the first time in the United States in Maine in August 2002. In order to determine the distribution of PMTV in seed-producing states, APHIS will test approximately 3,000 tubers per state. The samples will include tubers from all certified seed lots grown in the 17 states that produce certified seed potatoes. The results of the PMTV survey, which will be available in late 2002, will form the basis for any future regulatory action by APHIS. If PMTV is determined to have limited distribution, APHIS will consider regulatory steps to prevent the interstate movement of infected seed. PMTV, which does not affect humans, is a soil borne virus transmitted by the fungus that causes potato powdery scab disease. PMTV may cause discoloration, or necrotic rings in infected tubers, as well as various types of mottling and stunting in above ground portions of infected plants. Losses of up to 20 percent have been reported as a result of reduced tuber production and loss of tuber quality.

Lower U.S. Orange and Grapefruit Production for 2002/03

On October 11, 2002, NASS released preliminary estimates for the 2002/03 citrus crops in the United States. The initial forecast for 2002/03 orange production is 10.3 million tons, down 10 percent from last year. All of the reduction is the result of a lower crop in Florida. Florida's orange crop is forecast at 8.0 million tons, 14 percent below last year's level. Somewhat offsetting the decline in Florida's production is a nearly 13-percent rise in California's orange crop. Most of Florida's orange crop is utilized for juice production, whereas the majority of California's crop goes for fresh use. In addition, the majority of the oranges that the United States exports are navel oranges from California. During the current marketing year, November-July 2001/02, U.S. exports of oranges totaled 465,738 metric tons, down 12 percent from the previous year. Canada, Korea, Japan, Hong Kong, and China are the United States largest markets for oranges accounting for 86 percent of the November-July 2001/02 total. With the larger supplies of navel oranges forecast from California, U.S. exports of oranges in 2002/03 should post a recovery. U.S. production of grapefruit is forecast to decline again in 2002/03 to 2.0 million tons, down 8 percent from 2001/02. This will be the lowest production level since the freeze reduced 1989/90 level. U.S. exports of grapefruit during the current marketing year, September-July 2001/02 totaled 392,603 metric tons, an increase of nearly 3 percent from 2000/01. With the forecast drop in production for 2002/03, supplies available for export are estimated to be down as well. Japan is by far the largest market for U.S. grapefruit, accounting for 50 percent of the total this marketing year.

Final Rule for Importation of Clementines from Spain Effective 10/15/2002

The much-anticipated final rule to renew the importation of Spanish clementines was signed by Deputy Under Secretary Butler on Tuesday, October 15, 2002, and was effective immediately. The new requirements include provisions that the clementines be grown in accordance with a Mediterranean fruit fly management program established by the government of Spain, that the clementines be subject to an inspection regimen that includes fruit cutting before and after cold treatment, and that the clementines meet other conditions designed to protect against the introduction of the Mediterranean fruit fly.

U.S. Pistachio Production in 2002 is Expected to Reach Record Level

According to the latest estimate from the California Agricultural Statistics Service (CASS), the state is set to produce a bumper crop of 127,008 tons of pistachios in 2002. Growers claim that the crop is the best quality they have ever seen at this stage of the harvest. The outlook for marketing the record volume is bright due to continued strong global demand, a lack of carryover into 2002 and possibly into 2003, and because of the crop's overall high quality. In calendar year 2001, the United States exported 33,211 tons of pistachios, with an associated value of approximately \$109 million. China, Belgium, and Germany were the top three export destinations in 2001, purchasing around 50 percent of the total export quantity with a value of \$46.5 million. Markets in Europe, China, Japan, and Canada continue to grow at a rapid rate.

Commerce Department Seeks Public Comment On Chinese Apple Juice Antidumping Duties

The U.S. Department of Commerce's International Trade Administration (ITA) has requested public comments for its first annual review of the antidumping order against apple juice concentrate from China. The request follows a July 2002 preliminary determination by the department, which proposed to eliminate the 51.74 percent antidumping duties on imported apple juice for 10 Chinese producers. During the first administrative review of the antidumping decision, the ITA changed the method of calculating the cost of production of apple juice concentrate in India, which was used as a surrogate market economy for China. ITA has invited comments by October 31, 2002, on whether the Indian juice apple price used was correct or if another country should be used as a surrogate. In May 2000, the United States began applying antidumping duties of up to 51.74 percent on Chinese concentrate apple juice, following a finding that Chinese concentrate was sold in the U.S. market at prices below production costs, causing economic harm to U.S. concentrate producers. Following the initiation of the dumping investigation, imports from China dipped, but they have rebounded to levels exceeding the pre-dumping case levels. In fact, apple juice from China remains among the lowest-priced options for U.S. importers, with that country supplying over 16 percent of the total volume imported in calendar year 2001. Other leading suppliers to the United States include Argentina, Chile, and Germany. In 2001, the volume of U.S. imports of Chinese apple juice increased 13 percent to 215 million liters, while the associated value fell 12 percent to \$33 million.

Export News and Opportunities

Every U.S. exporter wants to get paid. However, credit can make or break a deal. It can shift the advantage to you or to your competitor. That's why many exporters turn to the U.S. Department of Agriculture's (USDA) Export Credit Guarantee Programs. With USDA's guarantee behind the credit, you can arrange competitive financing with less risk. Your buyers may benefit too, from longer terms and lower rates. In FY 2003, USDA will make available billions of dollars in credit guarantees to facilitate agricultural, fish, and forestry sales to selected countries. Invest the time to learn more about the Export Credit Guarantee Programs, (GSM-102) and Supplier Credit Guarantee Program (SCGP), to increase your sales and lower your risks. Use GSM and SCGP to avoid possible importer and foreign bank defaults on payments and ensure that American farm and food products continue to move to markets around the world. While USDA does not provide financing, it guarantees payments due to U.S. exporters in case the foreign banks or importers default. FY 2003 GSM and SCGP is effective October 1, 2002 through September 30, 2003.

You may learn more about GSM-102 and SCGP regulations, country specific press releases and program announcements, and a Monthly Summary of Export Credit Guarantee Program Activity on the Internet at:

<http://www.fas.usda.gov/export.html>

GSM-102

The GSM-102 program makes available credit guarantees for sales of U.S. agricultural commodities overseas. USDA does not provide financing, but guarantees payments due from foreign banks. USDA typically guarantees 98 percent of the principal and a portion of the interest. The GSM-102 program covers credit terms from 90 days to 3 years.

Under the program, once a firm sale exists, the qualified U.S. exporter applies for a payment guarantee before the date of export. The U.S. exporter pays a fee calculated on the dollar amount guaranteed, based on a schedule of rates applicable to different lengths of credit periods. The CCC-approved foreign bank issues a dollar-denominated, irrevocable letter of credit in favor of the U.S. exporter, ordinarily advised or confirmed by the financial institution in the United States agreeing to extend credit to the foreign bank. The U.S. exporter may negotiate an arrangement to be paid as exports occur by assigning the U.S. financial institution the right to proceeds that may become payable under the guarantee, and later presenting required documents to that financial institution. Such documents normally include a copy of the export report. If a foreign bank fails to make any payment as agreed, the exporter or the assignee may file a claim with USDA for the amount due and covered by the guarantee. USDA will pay the U.S. bank and will take on the responsibility of collecting the overdue amount from the foreign bank.

Supplier Credit Guarantee Program

The SCGP is unique because it covers short-term financing extended directly by U.S. exporters to foreign buyers and requires that the importers sign a promissory note in case of default on the

CCC-backed payment guarantee. The SCGP emphasizes high-value and value-added products, but may include commodities or products that also have been programmed under the GSM-102 program.

The SCGP encourages exports to buyers in countries where credit is necessary to maintain or increase U.S. sales but where financing may not be available without CCC guarantees. Under the SCGP, CCC guarantees a portion of payments due from importers under short-term financing (up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. These direct credits must be secured by promissory notes signed by the importers. CCC does not provide financing but guarantees payment due from the importer.

GSM-102 and SCGP

For most countries and regions announced under the FY 2003 GSM-102 and SCGP, exporters may apply for credit guarantees on a first-come-first-served basis to cover sales of any of the eligible commodities published in FAS program announcement PR 0346-02, issued September 24, 2001 or as superseded. The following horticultural products are eligible under the export credit guarantee programs: dried fruit; fresh fruit; frozen fruit; canned fruit; 100-percent fruit juices; fruit and vegetable concentrates, pastes, pulps and purees; honey; hops or hops extract; beer; tree nuts; fresh vegetables; canned vegetables; dried vegetables; wine; and brandy. The General Sales Manager will consider requests to establish an SCGP and/or GSM Program for a country or region or amend an authorized program to include horticultural commodities and products that are currently not eligible.

(For further information on the SCGP or GSM-102 Program for horticultural commodities, contact Yvette Wedderburn Bomersheim on 202-720-0911).

Top United States Horticultural Product Exports By Value

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

						Oct. - Aug.	Oct. - Aug.
Commodity	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2001	FY 2002
--- 1,000 Dollars ---							
Almonds	879,032	772,891	696,818	580,815	686,081	604,396	635,709
Essential Oils	622,219	532,623	507,651	591,583	674,581	627,535	702,966
Wine & Wine Prdts	390,376	510,923	545,287	538,143	549,045	508,457	479,915
Fresh Apples	412,855	328,068	375,869	336,444	414,808	393,011	341,556
Fresh Grapes	313,836	274,953	283,865	332,162	390,008	311,582	318,228
Frz. Potato Fries	294,417	313,209	343,216	339,553	359,847	332,433	319,305
Oranges	308,055	339,114	159,585	268,808	304,577	296,711	263,154
Orange Juice All	305,172	295,564	307,165	290,395	251,098	234,560	271,662
Proc. Tomatoes	229,526	233,209	220,380	221,306	227,450	209,817	207,969
Nursery Products	185,316	220,055	229,737	216,722	215,288	204,811	186,326
Fresh Lettuce	146,640	173,746	157,262	180,099	201,454	187,147	206,676
Beer	341,784	280,088	211,861	177,241	200,866	177,007	157,158
Grapefruit	240,408	189,744	221,443	208,329	199,813	196,910	198,703
Potato Chips	145,468	226,987	257,355	243,824	184,044	169,982	151,087
Walnuts	195,209	153,863	154,449	149,315	175,735	166,783	175,689
Fresh Cherries	140,650	113,556	154,793	169,516	159,852	159,700	149,610
Prunes	138,398	133,732	133,885	131,697	152,507	140,184	122,146
Raisins	204,388	199,733	198,817	145,861	151,155	135,997	137,450
Fresh Tomatoes	123,789	122,345	127,153	148,312	150,890	141,860	128,890
Proc. Sweet Corn	167,490	139,068	148,050	146,591	120,736	112,479	115,179
Total Other	4,838,913	4,765,679	4,864,543	5,121,136	5,292,064	4,876,371	4,949,024
GRAND TOTAL	10,623,941	10,319,150	10,299,184	10,537,852	11,061,899	10,187,733	10,218,402

Top United States Horticultural Product Exports By Volume

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Aug.	Oct. - Aug.
						FY 2001	FY 2002
Fresh Apples	690,595	539,685	664,969	571,860	743,644	709,371	565,775
Oranges	569,739	609,433	247,419	490,867	541,444	527,427	442,252
Frz. Potato Fries	396,738	438,425	468,826	469,287	505,549	466,727	449,869
Orange Juice All	565,332	553,175	554,951	550,888	464,026	433,304	654,211
Grapefruit	484,417	387,216	428,784	390,958	389,629	384,402	391,877
Fresh Onions	265,859	292,328	257,089	333,775	357,446	324,599	277,692
Fresh Lettuce	294,571	303,816	312,563	328,600	350,079	327,389	361,073
Wine & Wine Prdts	208,786	266,294	274,696	281,475	311,953	289,102	248,642
Fresh Grapes	236,400	214,569	221,158	272,901	303,396	233,768	228,663
Beer	536,362	425,523	330,158	278,522	301,947	263,268	229,251
Proc. Tomatoes	293,112	300,327	264,369	277,277	297,041	273,425	269,718
Almonds	187,953	202,968	200,847	220,099	259,716	224,855	252,346
Fresh Melons	219,695	211,310	247,448	250,860	234,690	214,979	251,801
Fresh Tomatoes	153,657	133,687	148,271	181,892	173,336	158,769	150,444
Pears	126,603	156,807	145,816	162,629	158,333	143,332	160,176
Fresh Broccoli	130,999	126,791	154,514	182,848	157,406	143,825	142,348
Proc. Sweet Corn	203,613	171,294	186,153	187,818	150,693	141,665	131,786
Peaches	103,442	80,023	97,974	113,098	129,292	108,042	108,779
Lemons	120,330	113,392	113,931	106,249	110,373	107,342	97,704
Raisins	115,215	120,741	104,225	83,832	110,035	98,429	104,193

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms.

Source: U.S. Department of Commerce, Bureau of the Census.

Top United States Horticultural Product Imports By Value

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Ranked in Terms of Highest Value (includes only products with specific commodity definitions)						Oct. - Aug.	Oct. - Aug.
Commodity 1/	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2001	FY 2002
--- 1,000 Dollars ---							
Beer	1,443,326	1,677,002	1,865,038	2,126,018	2,296,189	2,120,017	2,322,587
Wine & Wine Prdts	1,629,254	1,829,709	2,150,057	2,271,185	2,284,016	2,107,520	2,396,185
Bananas & Plantns	1,194,458	1,188,442	1,180,227	1,098,409	1,125,986	1,031,845	1,058,416
Nursery Products	565,267	632,672	673,194	745,977	789,187	724,734	733,999
Fresh Tomatoes	611,612	735,180	713,121	608,428	755,074	722,672	604,889
Fresh Grapes	386,183	440,659	545,409	518,260	580,879	579,833	668,073
Cut Flowers	572,926	630,067	578,766	623,213	577,480	542,200	509,634
Fresh Peppers	251,908	343,606	324,880	451,848	507,973	484,711	358,185
Cashews	292,315	339,490	390,111	487,687	366,770	335,402	333,120
Frz. Potato Fries	156,831	216,576	252,437	321,914	338,228	306,083	335,698
Essential Oils	322,447	350,086	315,861	309,570	300,148	277,906	305,174
Fresh Melons	226,502	250,921	277,880	259,797	285,714	285,475	264,303
All Apple Juices	354,632	228,735	210,263	278,975	230,401	214,447	213,607
Olives	184,217	181,730	200,293	184,928	204,762	186,610	193,140
Fresh Cucumbers	100,823	154,634	138,241	168,771	200,539	193,063	161,058
All Orange Juices	240,072	211,353	285,947	243,298	185,182	167,289	139,879
Fresh Onions	127,447	151,990	135,574	131,705	168,119	159,767	141,770
Fresh Mangos	123,009	125,047	138,823	142,010	152,097	141,891	137,430
Fresh Pineapple	74,441	83,676	121,679	117,539	151,773	139,676	160,547
Total Other	4,222,577	4,604,941	5,368,446	5,315,151	5,521,799	5,073,759	5,820,708
GRAND TOTAL	13,080,247	14,376,516	15,866,247	16,404,683	17,022,316	15,794,900	16,858,402

1/ Nursery Products excludes cut flowers.

United States Top Horticultural Product Imports By Volume

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity 1/ 2/	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Aug.	Oct. - Aug.
						FY 2001	FY 2002
Beer	1,612,379	1,869,577	2,072,394	2,290,532	2,490,362	2,302,573	2,462,880
Wine & Wine Prdts	432,192	428,664	420,152	481,164	510,722	472,344	547,975
Bananas & Plantns	3,911,294	4,135,832	4,369,283	4,350,838	4,046,727	3,719,378	3,778,732
Nursery Products	2,206,085	2,460,306	2,765,772	2,860,569	2,926,930	2,571,385	2,735,591
Fresh Tomatoes	743,205	856,852	722,591	708,690	868,191	834,392	642,613
Fresh Grapes	857	1,039	978	1,185	1,060	1,057	1,276
Cut Flowers	2,770,092	2,770,186	2,707,948	2,804,568	2,642,815	2,474,975	2,446,614
Fresh Peppers	284,221	319,671	345,444	352,169	346,582	320,171	313,371
Frz. Potato Fries	269,794	353,931	397,455	470,605	519,789	470,349	555,169
Fresh Melons	779,005	860,437	873,032	898,995	878,305	877,824	898,625
All Apple Juices	1,084,986	1,016,823	1,140,355	1,171,502	1,231,801	1,132,904	1,229,834
Fresh Cucumbers	302,306	327,745	336,045	346,863	373,629	363,500	334,673
All Orange Juices	1,116,798	1,063,239	1,326,231	1,284,749	976,357	873,213	634,337
Fresh Onions	261,088	259,188	246,532	224,080	269,179	251,696	250,146
Fresh Mangos	191,115	188,767	212,992	231,078	229,473	216,142	244,263
Fresh Pineapple	171,253	255,533	272,601	304,207	333,479	311,862	341,619
Fresh Squash	141,192	157,537	151,916	156,520	168,099	165,649	169,709
Frozen Broccoli	169,458	153,962	186,187	164,090	168,988	155,571	169,902
Fresh Apples	168,564	156,700	158,550	170,490	156,593	153,031	161,512

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms.

2/ Nursery Products excludes cut flowers.

Source: U.S. Department of Commerce, Bureau of the Census.

Selected Horticultural Crop Prices Received By U.S. Growers

Commodity	Domestic units	2001	2002		% Change	% Change
		Sep	Aug	Sep\1	Last Month	Last Year
		Dollars/unit				
Grapefruit 2/	Box	6.88	5.6	5.81	3.8%	-15.6%
Lemons 2/	Box	15.28	16.52	15.97	-3.3%	4.5%
Limes 2/	Box	0	0	0	n/a	n/a
Oranges 2/	Box	6.2	6.61	6.31	-4.5%	1.8%
Tangelos 2/	Box	0	0	0	n/a	n/a
Tangerines 2/	Box	0	0	0	n/a	n/a
Temples 2/	Box	0	0	0	n/a	n/a
Apples, fresh 3/	Lb.	0.212	0.245	0.3	22.4%	41.5%
Grapes	Ton	670	730	650	-11.0%	-3.0%
Peaches	Lb.	0.318	0.278	0.278	0.0%	-12.6%
Pears, fresh 3/	Ton	415	460	474	3.0%	14.2%
Strawberries, fresh	Lb.	0.781	0.826	0.617	-25.3%	-21.0%
Asparagus 4/	Cwt.	0	160	0	-100.0%	n/a
Broccoli 4/	Cwt.	22.9	26.9	52.1	93.7%	127.5%
Cantaloupes	Cwt.	13.4	10.8	11.8	9.3%	-11.9%
Carrots 4/	Cwt.	15.7	20.1	17.8	-11.4%	13.4%
Cauliflower 4/	Cwt.	24.8	22.7	27.6	21.6%	11.3%
Celery 4/	Cwt.	9.43	11	13.2	20.0%	40.0%
Sweet Corn 4/	Cwt.	19	18.7	18.1	-3.2%	-4.7%
Cucumbers 4/	Cwt.	25.6	23.6	19.9	-15.7%	-22.3%
Lettuce 4/	Cwt.	26.2	14.6	13	-11.0%	-50.4%
Onions 4/	Cwt.	10.7	13.7	11.7	-14.6%	9.3%
Snap Beans 4/	Cwt.	62.9	58.8	78.6	33.7%	25.0%
Tomatoes 4/	Cwt.	23.5	23.7	21.3	-10.1%	-9.4%

1/ Preliminary

2/ Equivalent on-tree returns.

3/ Equivalent packinghouse-door returns for CA and NY (apples only), OR (pears only), and WA (apples, peaches, and pears). Prices as sold for other states.

4/ Fresh-market, FOB shipping point.

Weight per box of citrus.

Grapefruit : AZ, CA = 67 Lbs., Florida = 85 Lbs., and Texas = 80 Lbs. per box.

Lemons: AZ, CA = 76 Lbs. per box.

Limes: Florida = 88 Lbs. per box.

Oranges: AZ, CA = 75 Lbs., Florida = 90 Lbs., and Texas = 85 Lbs. per box.

Tangelos and Temples: Florida 90 Lbs. per box.

Note: Zeroes indicate insufficient information or insufficient sales to establish a price.

Source: National Agricultural Statistics Service (NASS), USDA.

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